tities, code names and other vital data of thousands of Stasi foreign agents, the

vast majority of whom worked in West

Germany. Joachim Ganck, a Lutheran pastor who is responsible for collecting

fused to return the files at the insistence

of the CIA, which says that doing so

would jeopardize Western agents still at

large. But many Germans believe the U.S. attempt to protect Germans and

other Westerners implicated in the files

hold powerful political positions - is

preventing their nation from settling its

accounts with history and achieving a full reconciliation between East and West.

See STASI, Page 6

some of whom are believed still to

German Irritation High Over Stasi Files in U.S.

Officials Hint at Curbs on Joint Intelligence

By William Drozdiak Washington Post Service

When Gerhard Schroeder was invited to lunch at the White House by President Bill Clinton last month, the German chancellor was fervently hoping he would return home with a special gift: the top-secret archives of East Germany's foreign spy operations that the CIA spirited away after the fall of the Berlin Wal.

By the time he arrived in Washington, however, Mr. Schroeder had received disappointing news. His chief troubleshooter, Bodo Hombach, who had been sent to Washington in advance to close the deal, had run smack into what he later called a barrier of "mutual mistrust." Not only would Mr. Clinton not release the files, he did not even want to discuss the matter, according to White House and chancellery aides.

While Mr. Schroeder sought to dismiss the rebuff by declaring that the two leaders simply did not have enough time to discuss the issue, senior aides said privately the chancellor was outraged by the United States' refusal to surrender files that Germany considers its property. They warned that the impasse soon could seriously damage cooperation on intelligence and other matters between the countries

German officials hint that the time may be coming to curtail operations of U.S. intelligence agencies in Germany, including eavesdropping facilities such as the powerful U.S. radar and communications systems at Bad Aibling, near Munich, that some Germans suspect

are used for commercial espionage.

According to diplomats, politicians and intelligence officials interviewed in the United States and Germany, the campaign to recover the "crown jewels" of the East German state security apparatns, or Stasi, has escalated into an emotional test case for Mr. Schroeder's government as it seeks to reassert the full sovereignty of a reunited Germany and establish a more equitable part-

nership with Washington. The files are said to contain the iden-

U.S. Steps Back In Banana War, , But Reserves Tariff Threat

By Anne Swardson

PARIS — The U.S. government said Wednesday that it would conditionally impose new tariffs on more than \$500 million worth of selected European exports in protest at European Union proections on bananas.

The action means that no duties will be levied yet but that the United States reserves the right to retroactively implement the 100 percent tariffs on a list of European products that includes Scottish cashmere, Italian cheese, French handbags and British cookies.

In the banana dispute, Washington stepped down slightly from an earlier threat to unilaterally impose retaliatory tariffs. On Tuesday, a World Trade Or-ganization panel put off a decision on how much damage the EU banana regime had caused to American companies, thereby removing what U.S. officials had hoped would be a procedural boost to the controversial tariffs.
"We are pleased that the WTO ar-

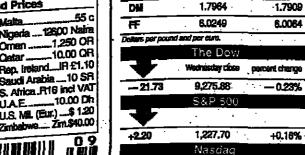
bitrators are clearly focused on the question of economic damages, and we respect their desire for more information," the U.S. special trade negotiator Peter Scher said.

The office of the U.S. Trade Representative indicated that the duties would be levied without fail; the only question was their dollar amount. But officials on both sides have said they would prefer a negotiated settlement.

On another front of the simmering trans-Atlantic trade battle, the House of Representatives voted Wednesday to ban supersonic Concorde aircraft flights to the United States if the EU pursues a plan to ban airplanes retrofitted with noise-reduction devices known as hush kits, starting in 2002. Washington says the ban would hurt sales of more than \$1 billion in U.S. products and cause the resale value of older Boeing planes to plummet. (Page 13)

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Bahesia 1,000 BD	Malta
00100	Nicada 12600 N2m
CyprusC £ 1.00	1 250 Of
Opprus	CLIER
Denmark	Cetar1U.UU Gr
Finland12.00 FM Gibrattar£ 0.85	Den instand_IR£1.1
Gibratiar U.00	TANDE 10.5
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Great Britain_UK £1.00 Egypt£E 5.50	11 A E 10.00 D
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Jordan1.250 JD KenyaK. SHL 160	U.S. ME (ELF.)
KenyaK. SH. 180 Kuwait700 Fils	7mbabwe Zm.\$40.0
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up of opponents of President-elect Ohusegun attackeď a police station and a barrack. Police sources said at least five officers were killed. It was the second day of violence in Lagos in the aftermath of the presidential election last weekend. Page 4.

LAGOS RIOTS — Nigerian soldiers beating a

him Wednesday.

Mobs believed to

have been made

riot suspect before releasing

Progress and Problems

How Much Privacy Do People Really Need?

By John Markoff New York Times Service

SAN FRANCISCO - Intel Corp. recently blinked in a confrontation with privacy advocates protesting the company's plans to ship its newest generation of microprocessors with an embedded serial number that could be used to identify a computer — and by extension, its user.

But those on both sides of the dispute acknowledge that it was only an initial skirmish in a wider struggle. From computers to cellular phones to rion computers to centuar phones to digital video players, everyday devices and software programs are increas-ingly embedding telliale identifying numbers that enable them to interact.

Whether such digital fingerprints constitute an imminent privacy threat or are simply part of the foundation of advanced computer systems and networks is the subject of a growing debate between the computer industry and privacy groups.

At the beart of the argument is a fundamental disagreement over the role of electronic anonymity in a democratic society.

Privacy groups argue fiercely that the merger of computers and the Internet has brought the specter of a new

surveillance society in which it will be difficult to find any device whose use cannot be traced to the user.

But a growing alliance of computer industry executives, engineers, law enforcement officials and scholars contend that absolute anonymity is not only increasingly difficult to obtain technically but is also a potential threat to democratic order because of the possibility of electronic crime and ter-

"You already have zero privacy — get over it," Scott McNealy, chairman and chief executive of Sun Microsystems Inc., said at a recent news conference held to introduce the com-pany's newest software. Known as Jini, the software is intended to interconnect virtually all types of electronic devices from computers to cam-

Privacy advocates contend that softtification number to each device each time it connects to a network, could be misused as networks envelop almost everyone in society in a dense web of devices that see, hear and monitor behavior and location. 'Once information becomes avail-

See PRIVACY, Page 12

Update on Y2K Bug Sees Turmoil for Some

By Art Pine
Los Angeles Times Service

WASHINGTON — A special Senate panel has warned that possible computer crashes next Jan. 1 could spawn disruptions leading to civil unrest in some countries, with an outside risk that they also could prompt terrorist

attacks amid the resulting confusion.

While rating the probability of increased terrorism as "low to medium," panel members told senators in a private briefing that the lag in year 2000 preparations around the globe posed a serious threat and urged stepped-up efforts to deal with it.

Neither the chairman of the special nel, Robert Bennett, Republican of Utah, nor the report publicly identified specific countries that the committee ears could experience civil disorder as a result of computer disruptions. But Mr. Bennett pointed to heavy economic impact in parts of Latin America, Africa and Asia.

An assessment by the Gartner Group, a private consulting firm that helped prepare the report, predicted a 33 percent chance of major computer crashes in countries such as Brazil, France, Hungary, Mexico Singapore, South Korea and Taiwan. It cited a 66 percent prospect of systemic failures in countries such as China, Indonesia, Pakistan, the Philippines, Russia and Thailand

Countries such as Australia, Britain, Canada, the Netherlands, Switzerland and the United States were given a 15 percent chance of a major breakdown.

"The committee is greatly con-cerned about the international Y2K picture," said the report, released Tuesday. At the same time, the panel issued a detailed report that suggested disruptions in the United States were likely to be far less widespread than in most other countries and were unlikely to last longer than a few days at most.

The 163-page document outlined serious concerns about the readiness of some U.S. industries, such as medical service providers, to deal with the computer problem. But it said that many key sectors, from financial services and utilities to teleco were in good shape.

The report marked the first comprehensive survey by Congress of international readiness for the so-called Y2K problem. Lawmakers in both houses of Con-

gress are pushing through legislation

See BUG, Page 12

\$50,000 Offer for Egg Donor Sharpens the Debate

By Gina Kolata

NEW YORK - The advertisements started appearing last week in newspapers at top U.S. schools

Ivy League colleges, Stanford University, Massachusetts Institute of Technology, California In-

stitute of Technology.
"Egg Donor Needed," the advertisements said, adding, "Large Financial Incentive."

The ad said a "loving family" was looking for a 5foot-10-inch (1.78-meter) athletic woman who had

scored at least 1400 on her SAT examination and who had no major family medical problems. In return, she would receive \$50,000.

Already, more than 200 women have responded to the offer of what is believed to be the largest amount of money ever offered for a woman's eggs. Darlene Pinkerton, who with her lawyer-husband, Thomas Pinkerton, placed the ads on behalf of an infertile couple, said that most respondents were from Ivy League schools and that she was starting to get calls from women as far away as Finland and New Zealand. Women who are too short or whose SAT scores

are too low are also calling, Ms. Pinkerton said. But Ms. Pinkerton said that when she ran the same ad in October, without mentioning the price the

comple would pay, she got only six responses.

Until now, ethicists argued whether \$5,000 was too much to pay for an egg donor. They debated whether it was coercive for couples to ask for SAT scores or height or favorite books when they sought egg donors. But, some ethicists say, a \$50,000 price, in a donor market that just a year ago was reeling

See DONOR, Page 12

Beijing Sets New High In Deficit **Spending**

Infrastructure Outlays To Offset Weak Exports And Consumer Activity

By Benjamin Kang Lim and Bill Savadove

BEUING — The Chinese govern-ment will resort to record deficit spending this year as it attempts prime the economy for 7 percent growth, Prime Minister Zhu Rongji will tell lawmakers

In a speech to be delivered Friday to a budget-approving session of the National People's Congress, Mr. Zhu wili make clear that Beijing will rely, as it did last year, on huge outlays on telecommunications, highways and waterworks to drive an economy weakened

by the downturn in Asia. His speech, parts of which were leaked Wednesday, offers little hope that China's other main engines of growth — domestic consumption, trade and foreign investment — will recover.

Mr. Zhu foresees a deficit of 150.3

A call for Tiananmen redress. Page 4. • Hong Kong stimulus. Page 13.

billion yuan (\$18.15 billion), a sharp jump of 56 percent over last year's shortfall but, at about 2 percent of gross domestic product, relatively modest by international standards. But that amount apparently does not include the billions of dollars China spends annually to keep state industries afloat.

In Hong Kong, newspapers quoting leaked copies of speeches to be given at the annual congress reported that Chinese military spending would rise 12.7 percent, to 104.65 billion yuan. That figure includes 5 billion yuan in compensation to People's Liberation Army units that have been compelled to close businesses, the Hong Kong Economic Times said.

The South China Morning Post reported government expenditures would rise 14.7 percent, to 738.9 billion yuan, this year and revenue would expand by 7.3 percent, to 588.6 billion yuan.

The reports gave no hint of any major

changes in economic policy.

In his speech, Mr. Zhu will pledge to adopt a prudent monetary policy and maintain stability in the yuan this year despite the temptation of a devaluation to boost exports. He also will say that China will maintain its balance of payments and foreign-exchange reserves, which reached a massive \$145 billion at the end of 1998.

'Realizing economic growth of around 7 percent will not be easy, but with effort it can still be reached." Mr. with effort it can still be reached," Mr. Zhu's speech says. "The external economic environment we face this year remains extremely serious. It will be difficult to see a relatively big increase in domestic consumption demand for a period of time."

Chinese officials say the economy grew by 7.8 percent last year, helped mainly by massive spending on infra-structure. Many private economists say

See CHINA, Page 4

AGENDA

U.S. Court Halts German's Execution

FLORENCE, Arizona (AFP) — A federal appeals court Wednesday halted the planned execution of Walter LaGrand, a German national, saying use of the gas chamber in Arizona may be unconstitutional, a prison spokes-

Paul McMurdie, a prosecutor, said the state would immediately appeal the ruling to the Supreme Court. Mr. La-Grand, a convicted murderer, was to have died at 3 P.M. (2200 GMT), a week after his brother was put to death here. Earlier article, Page 12.

The Dollar

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New York	Wednesday 6 4 P.M.	previous close
Euro	1.0883	1.0923
Pound	1.614	· 1,6158
Yen	121.815	· 120.305
DN	1.7964	-1.7909
FF	6.0249	6.0064
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Captain Richard Ashby leaving court alone after testimony ended.

Fate of Marine Pilot Is in Jury's Hands

(AP) — Jurors Wednesday began charged with involuntary manslanghter for flying his jet into an Italian ski lift cable, killing 20 people.

The eight Marine officers closeted themselves early in the afternoon fol-lowing summations by prosecutors and defense lawyers that lasted nearly

In his closing statement, the prosecutor, Major Daniel Dangherty, told the jurors that Captain Richard Ashby was guilty because "he was too low, he was too fast, he was too aggressive.

CAMP LEIEUNE, North Carolina He was outright dangerous."

AP) — Jurors Wednesday began But Frank Spinner, the defense lawweighing the fate of a Marine pilot yer, said it was "a training accident and nothing more.

Captain Ashby is charged with involuntary manslaughter and other counts and could get 206 years in prison if convicted.

Page 11. Pages 10-11. Pages 20-21.

Lewinsky's Friends Fear Starr Retaliation on Book

By Don Van Natta Jr. New York Times Service

WASHINGTON - In a book to be published this week, Monica Lewinsky is so critical of the independent counsel Kenneth Starr that several of her friends and associates say they fear that Mr. Starr will become angry, try to revoke her immunity agreement and prosecute her. Ms. Lewinsky says in the book, "Monica's Story" by Andrew Morton, that she was so despondent at her treat-

ment by prosecutors who confronted her at the Ritz-Carlton Hotel in Pentagon City, in suburban Virginia, on Jan. 16, 1998, that she briefly considered killing herself in their presence, said two people familiar with the contents of her book.

She is described as being deeply sympathetic to the president. Immediately after she was confronted by Mr. Starr's prosecutors, Mr. Morton writes, Ms. Lewinsky "said she had this over-whelming thought: She must warn the president. Plato Cacheris, one of Ms. Lewin-

sky's lawyers, said Tuesday night that neither he nor her other lead lawyer, Jacob Stein, had seen the book's manuscript or galley proofs. "Monica and Andrew Morton did

this on their own," Mr. Cacheris said. We did not vet the book." Several friends of the Lewinsky fam-

ily said they were worried that Ms. Lewinsky's remarks might backfire. "It's a big concern to us," an associate of Ms. Lewinsky's said. "She's

bound by this agreement.' Citing the immunity agreement under which Ms. Lewinsky testified about her

affair with President Bill Clinton and efforts to cover it up, Mr. Starr did not permit Ms. Lewinsky to discuss his office's conduct in a two-hour interview with Barbara Walters to be broadcast on ABC on Wednesday night, But Ms. Lewinsky was free to discuss Mr. Starr's office with Mr. Morton because her agreement did not apply to the book. In a brief portion of her interview

morning, Ms. Lewinsky said that she felt like "a piece of trash" the day Mr. Clinton was forced to admit their affair on national television and apologized to the nation but not to her, The Associated Press reported from Washington. ["Ifelt dirty and I felt used, and I was disappointed," Ms. Lewinsky said. Asked by Ms. Walters whether Mr.

with Ms. Walters broadcast Wednesday

Clinton really cared for her, Ms. Lew-insky said, "Some days I think yes, and some days I think no." Ms. Lewinsky was shown on the clip watching Mr. Clinton's televised apology to the nation last Aug. 17, the day he gave his

grand jury testimony.

[Asked whether she believed Mr. Clinton felt remorse, Ms. Lewinsky said that as a politician, "I think he's sorry he got caught." But she added, "When I think of the person I thought Bill Clinton was, he had genuine remorse."]

In the book, Ms. Lewinsky says that

See SCANDAL, Page 12



Ukrainian Smugglers Find Poland Irresistible

By Michael Wines New York Times Service

AVA-RUSKAYA, Ukraine - When Andrei needs a few things from the market and he always needs a few things from the market — he does what a lot of people around here do: He climbs into the car and drives to

Once across the border, he drops by a few wholesalers and farms, buys as much butter, milk and fat as he reasonably can, and stuffs it all out of sight, under the back seat and in the trunk. On the way back, he stops at the Ukrainian border and slips the guard a few hundred hryvnias. Then he drives carefully home so as not to attract the police, who tend to want a few hundred hryvnias of their own. All that, and he does not even get to eat the

"I'm a middleman." he said the other day, huddling in his car, chain-smoking nervously. "I don't go for big business, and I don't carry much. I get less profit, but I think in our situation, the slower

you go, the more success you have."
When the going gets tough, the cliche goes, the

tough go shopping.
Things in Rava-Ruskaya are awfully tough. The economy is depressed; unemployment is endemic, and the town, a one-stoplight sort of place with a few aging storefronts and a two-lane main street, seems to have but one thing going for it: It is three and a half miles (5.6 kilometers) from much wealthier

And so it has become not just a smuggler's den, but a smuggler's kitchen, bedroom, garage and driveway. The main street is littered with minivans. small diesel trucks and, oddly enough, used British postal trucks, all preferred vehicles for hauling goods across the border. The bar attracts passing traffickers; the local grocery is laden with tins of Polish sprats, canned meat and sausages.

Not far from town, enterprising folks have converted a couple of empty buildings into warehouses - transshipment points for the tons of food, household cleaners, electronics and other sought-after items that cross the border daily.

The goods flood in for one reason only: They are cheaper in Poland and can be resold to Ukrainians at a huge profit. They are especially cheap if nobody pays the sky-high duties that the Ukrainian government has imposed on many goods to protect domestic competitors.

That is the basis for what officials politely call the "shuttle trade," much of it above-board and legal, but a healthy share also solidly rooted in bribery and

a clusine this is a confident just to P land. The trainian government estimates that shuttle trade accounted for more than 11 percent of all imports in 1997, perhaps \$2 billion. A survey last October by the firm Socis-Gallup International concluded that about one in 35 adults is a shuttle trader, carrying on brisk commerce with Russia, Hungary and even Turkey, across the Black Sea.

But along Ukraine's depressed western border, the share of shuttle traders is dramatically higher, partly because there are so few other jobs and partly because it is so lucrative.

Some smuggled Polish products sell for as little in Ukraine as half the price of identical Ukrainian versions. U.S. consumer-products giants like Procter & Gamble and S.C. Johnson, which have



On the road between Poland and Ukraine: Smugglers do a brisk business in Polish goods brought across the border - many of them unofficially "duty-free."

factories in Ukraine and elsewhere in Europe, have complained loudly that they are competing against

themselves here — and losing.

For Andrei, who not only refused to give his last name but also refused to confirm that Andrei is really his first, smuggling is about the only way to exercise the skills he gained in the 1980s at the Cooperative Teknikum in nearby Lviv.

There, he said, he earned the Ukrainian equiv-

alent of an MBA, but could find no better job than assistant manager at a pizza parlor. With a small family to support, that was not enough.

"I calculated that I'd be able to earn more money by myself." he said — and he has. These days, he said, he makes a daily run to Poland, usually for food that can be easily resold to the hordes of sidewalk vendors in cities like Lviv, but from time to time for stereos, televisions and even the oc-

SKED DIRECTLY how he manages to get such booty back over the Ukrainian border, Andrei was almost comically circumspect. "Take margarine: To bring in 300 kilograms"—about 4:0 pounds—"one has to pay \$1,100 in customs taxes," he said. "People look for opportunities to carry things, not paying taxes—somehow to hide, to agree with the customs officers that it can come through." But doesn't that require a bribe? "I wouldn't like to talk about that," he said. Others do however. Under Ukraine's customs

Others do, however. Under Ukraine's customs regimen, anyone can bring a small amount of food or other goods into the country — about \$75 worth — and pay a minimal duty. Above that, the fee skyrockets.

Trying to clamp down on the shuttle trade, the government doubled and even tripled duties on more than 600 consumer products last April. That cut into cross-border business, but at the cost

of making bribery an even more attractive option for

traders and customs officers alike. These days, a gratuity to a customs officer runs from \$10 for a small-time trader like Andrei to \$2,000 for one of the tractor-trailer loads of goods brought in by

organized gangs.

Last year, the state customs service fired one in every 13 of its 17,000 customs officers for violations, mostly involving bribery and abuse of power. City police at the port of Odessa, another major smuggling center, arrested one customs officer last fall who was found to have \$523 U.S. dollars and a "substantial amount" of Ukrainian currency in his pockets. The officer had been arrested just after lunch; most of his working day lay

Much of the take from bribery is said to flow up the chain of command. Only in November, German police arrested the director of customs operations for half the Poland-Ukraine border as he was withdrawing more than \$1.1 million in German marks from a German bank.

The official, General Oleksiy Chernyshov, was allegedly part of a smuggling ring that traded al-cohol and cigarettes. How the general managed to rise from third-class adviser, at two customs checkpoints, to head of the region in the space of several months is yet to be explained.

The government, aware that bribery is costing it hundreds of millions of dollars in lost tax revenues, is trying to break the links between customs officers and traders. Customs officers are rotated periodically to new posts to discourage familiarity with the people they inspect. Recently, the person in charge of the checkpoint near Rava-Ruskaya was moved to another town, leaving traders to wonder whether a crackdown is imminent.

Maybe it is. For now, Andrei is a fairly accurate barometer of how the traders are faring. "Look," he said, a trace of pride in his voice. "I've got a new

Middle East

Parched Times Ahead, Mideast Study Warns

By William A. Onne

RAMALLAH, West Bank -- The drought this winter could be a portent of an even drier future unless Israel, Jordan and the Palestinians work together to conserve shared water resources, an inter-

national panel of scientists has warned.
With a population of 12 million in a region with slight rainfall, water supplies "are barely sufficient to maintain a quality standard of living," said Gilbert White, a geographer from the University of Colorado. He was chairman of a research group from the U.S. National Academy of Sciences and counterpart institutions from Israel, Jordan and the Palestinian National Authority.

In what was described as the first major study of the long-term outlook for water supplies between the eastern border of Jordan and the Mediterranean coast of Israel, the report Tuesday said that even with strict management "the area's inhabitants will almost assuredly live under conditions of significant wa ter stress in the near future.

Ancient underground aquifers are being drained dry, while rains flow unused into desert gulches and rivers are diverted for water-intensive tropical agriculture, the researchers said. Watersheds cross political boundaries and can only be managed jointly, they said.

It is hardly news here that water is getting ever scarcer and the population steadily larger.

Yet by drawing on data from disparate sources within and outside the region, the study provides what its authors believe is the first comprehensive analysis of regional patterns of water demands and supplies. At the same time it details feasible methods of conserving water and reducing consumption.

At least as significant as the content, participants said, was the political fact that this was the first serious study involving Jordanian, Israeli and Palestinian experts, all of whom urged their governments to work together on recycling waste water, developing effi-

cient irrigation and using brackish water for industry and agriculture.

The unusual regional collaboration and the prestige of the U.S. Academy of Sciences should help assure that the study will guide the World Bank and other Western aid donors whose several other Western aid donors whose support is crucial to all three governments, the authors said.

Left carefully unmentioned were the consequences of a regional battle over dwindling water resources. But the concern was implicit.
"This is a very dry region and a very

tiny region, with an importance out of all proportion to its size," said David Policansky, staff director of the project.

The 225-page study, which took more than two years, is itself rather arid, scrupulously avoiding any hint of national consumbias or ideological advocacy and conperson.

WEATHER

centrating on regional research rather than policy prescriptions.

"While we were aware of many pro-

posals for managing water supplies in the study area and neighboring areas, we explicitly refrained from making rec-ommendations about these specific pro-grams and political policies, "Mr. White

The scientists acknowledged that their hope was to galvanize policy-makers into action and to remove the excuse that there is insufficient scientific information on which to base broad new

Members of the group met on Monday with the Palestinian leader, Yasser Arafat. The Israel Academy of Sciences and Humanities will be presenting its findings to its government and the Royal

This is a very dry region and a very tiny region, with an importance out of all proportion to its size.'

Scientific Society of Jordan is advising the government in Amman about the

The principal scientific contribution of the panel, some suggested, was to collate and verify existing research from varied sources on regional industry, infigation, meteorology and geology.

"There was a serious lack of regional information." Mr. Policanter and and a policy.

information," Mr. Policansky said; pointing to a map of regional rainfall patterns that was drawn from different. official sources and research institutes."
This is quite basic. But until we did it there was nothing like it.'

The report stresses the limits of a landscape ranging from "sparse forest", to desert and "semidesert," cleaved by the "temperate steppe" of the Jordan Valley, itself increasingly dried out by upstream irrigation.

In 40 years, all fresh water in the region should be reserved for household. use, with treated waste water and saline water used to supply agriculture and industry, the researchers said.

As the largest and by far the most

prosperous of the three, Israel accounts. for most of the consumption, the study confirmed. At 344 cubic meters (12,148 cubic feet), its per capita water use in 1994 was almost four times that of the West Bank and the Gaza Strip, at 93. cubic meters a person.

Palestinian officials and Israeli envi-

ronmentalists often point critically to this. disparity and to California-style watered lawns and capacious bathtubs that they

consider irresponsibly profligate.
Yet the study showed that Israel's use is only marginally greater than Jordan's. Iordan is poorer than the West Bank, yet consumed 244 cubic meters of water a

Spying Allegations Could Hurt TRAVEL UPDATE Disarmament, UN Chief Says

By John M. Goshko

UNITED NATIONS, New York -Secretary-General Kofi Annan said Wednesday that allegations that American intelligence agents used UN weaponsinspection teams as cover to spy on Iraq could harm the cause of disarmament. because suspicious governments might be unwilling to cooperate with UN surveillance of their arms programs.

There is no doubt that these allegations will make disarmament regimes or future efforts difficult if governments believe that this kind of thing can hapen," Mr. Annan said at a news conterence where he was asked about the charges reported Tuesday by The Washington Post.

Citing U.S. government sources and documents, the Post said that for three years U.S. agents spied on Iraqi military activities under the cover of the UN Special Commission (Unscom) charged with locating and eliminating prohibited Iraqi weapons. The Post said the spying was done without Unscom's knowledge.

Mr. Annan's remarks were the only official comments to be made here about the Post article.

"I personally had no direct knowledge of these things," Mr. Annan said, noting that Unscom is not part of the UN bureaucracy under his control but reports to the 15-nation Security Council. Asked if he was "outraged" by the situation, he said it was up to the council to "draw the right lessons.

man of Unscom, and his predecessor in under too great a cloud of suspicion to that job, Rolf Ekeus, may have known ever again function effectively. But no nothing about any spying.

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work for him, Mr. Annan took the same line he did in January, when leaks to the news media first raised questions about whether U.S. agents had infiltrated Unscom to gather information for the Clinton administration's campaign against President Saddam Hussein of Iraq. Although Mr. Annan denied respon-

sibility for the leaks, they were known to have come from his inner circle of advisers, as furious U.S. officials pointed out. The incident revealed a deep rift between Mr. Annan and the administration on how to deal with Iraq. U.S. officials declined to comment on

the substance of the Post report, except to say Unscom was always fully briefed. 'We never comment on allegations involving intelligence matters," James Foley, a State Department spokesman, said in Washington. "This is an intelligence operation at

its core, and I'm not going to get into the modalities about how Unscorn did its job or its mission," said David Leavy, a National Security Council spokesman. We briefed all appropriate Unscom officials.

Within the council, the five permanent members are deadlocked over what tack to take with Iraq; the United States and Britain demand a continued hard line while Russia. France and China advocate greater flexibility.

One of the council's most urgent tasks is to recommend how to complete the job of determining whether Iraq has eliminated its weapons of mass destruction. Baghdad, long distrustful of Unscom,

He added that it was important to note that Richard Butler, the executive chair- lraq. Many at the UN feel that Unscom is one seems to have any idea of what By stressing that Unscom does not would be a suitable substitute.

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Correction

Because of an editing er-

ror, there was an incorrect date in a front-page article Wednesday concerning the

trade conflict over bananas.

A World Trade Organization

panel asked Tuesday night for more time to deliberate.

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THE WORLD'S DALLY NEWSPAPER

Austrian Avalanches Scare Away Tourists

VIENNA (AP) - More than a week after deadly avalanches swept through a ski resort in the Austrian Alps, foreign tourists are avoiding the region, leaving

it nearly empty during peak season. The Paznaun valley was enjoying a record season, but a pair of avalanches that rolled through the villages of Galtuer and Valzur, killing 31 people, have scared away tourists, the Austria Press Agency reported.

Ski lifts and cross-country trails in Galtuer are to reopen this weekend, and some tourists who have been coming to the region for years are still booked, but countless other reservations have been canceled, Gerhard Walter, head of Gal-

tuer's tourist agency, said.
In the fashionable resort of Ischgl, down the valley from Galtuer, hotels report vacancies. Cancellations have also been high farther south in St. Ant-

New Saudi Flights

JIDDA (AFP) -- Saudi Arabian Airlines, the region's largest international carrier, will add eight direct flights to its service by the end of May, the official

SPA news agency said.
The new flights from the Red Sea port of Jidda will serve Alexandria, Egypt; Larnaca, Cyprus; Malacca, Malaysia, and Tehran and Shiraz in Iran, as well as Athens, Milan and Nice.

Tower Leaning Less

PISA. Italy (AFP) — The Leanin - Tower of Pisa is leaning a little less 1.5 millimeters, to be exact - thanks to intensive efforts to prop it up. The head of the committee

guard the landmark, Michel Jamiolkowski, said it wa hoped that four more milli meters could be gained before a second phase of excavation started to stabilize the tower The tower was closed to th public in January 1990 be cause of security concerns.

When construction got un der way in 1173, the towe tilted almost immediately be cause of the high water table underneath it. It leaned fur-ther after the building was completed in 1372.

American Airlines said flew fewer passengers in Feb ruary after it canceled more than 6,600 flights because of an 11-day pilots' protest. (Bloomberg)

High Clf 11/52 7144 14/57 21/70 10/50 13/55 948 643 18/64 646 7/44

North America Europe

North America

Dry and child in the Northeast Friday, but another storm will bring rain and anow over the weekend with a cold, gusty wind. Sunday. Very mild in Belling into England Friday and Saturatory will bring rain and southeastern and southeastern Europe Friend across Shanghai into the Ohio with a cold plant will spread a storm bringing another day. Perity sunny and very wild in Hong Kong, but the Coler in the Southwest.

Southwest.

Europe

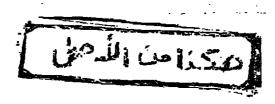
Windy and cold with rain in Saturday, it sen cooler on Sanday. A storm tracking tree eastern China to dapan will spread soaking another day with plenty of sun, but them Oktahonta to the Ohio a storm bringing another day. Perity sunny and very wild in Hong Kong, but cloudy and rainy farther inland, hot and dry in Bombay.

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U.S. Agrees to \$480 Million Deal to Preserve Redwoods

By William Booth

LOS ANGELES — A last-minute agreement reached after years of negotiation and rancor means that the largest stand of ancient the government to ensure that a towering called the marbled murrelet. forest, and the endangered species it harbors, can be preserved for generations to come.

The federal government and the state of California agreed Tuesday to pay Pacific Lumber Co. \$480 million for 10,000 acres of redwood forest along the Northern California

The Headwaters is a grove of moss-draped trees that are as old as the millennium and as

ing lands, will now be set aside as a nature redwoods still in private hands will be sold to coho salmon, the spotted owl and a rare bird

The ancient forest was declared of such to Yosemite National Park.

In addition to the forest purchase, the government and Pacific Lumber Co. also agreed

Pacific Lumber still owns some 211,000 acres surrounding the Headwaters Forest that tall as 20-story buildings. It is a place of it will continue to log, but now with more with thousands of young activists arrested in hushed and soul-stirring beauty, often com-

This "Habitat Conservation Plan" is at the preserve, with public access, and continue to heart of the Clinton administration's conbe home to endangered species such as the troversial and untested new approach to protecting threatened wildlife and habitats, par-

ticularly on private property.

Mr. Babbitt said the real importance of the scenic and environmental value that Interior deal was the habitat plan, which may now be Secretary Bruce Babbitt compared it Tuesday used as a model in dozens of other battles to protect endangered species.

The fight over the Headwaters Forest, and the logging done by Pacific Lumber, com-Coast, including the rarest of the rares thousands of acres of a primordial habitat known
on a 50-year plan to protect the endangered bined to produce more than a decade of acspecies that live on the timber company's rimonious legal challenges and clashes betimed to produce more than a decade of acrimonious legal challenges and clashes betimed to produce more than a decade of acrimonious legal challenges and clashes betimed to produce more than a decade of acrimonious legal challenges and clashes betimed to produce more than a decade of acrimonious legal challenges and clashes betimed to produce more than a decade of acrimonious legal challenges and clashes betimed to produce more than a decade of acrimonious legal challenges and clashes betimed to produce more than a decade of acrimonious legal challenges and clashes betimed to produce more than a decade of acrimonious legal challenges and clashes betimed to produce more than a decade of acrimonious legal challenges and clashes betimed to produce more than a decade of acrimonious legal challenges and clashes betimed to produce more than a decade of acrimonious legal challenges and clashes betimed to produce more than a decade of acrimonious legal challenges and clashes betimed to produce more than a decade of acrimonious legal challenges and clashes betimed to produce more than a decade of acrimonious legal challenges and clashes betimed to produce more than a decade of acrimonious legal challenges and clashes betimed to produce more than a decade of acrimonious legal challenges and clashes betimed to produce more than a decade of acrimonious legal challenges and clashes the decade of acrimonious legal chall tween lumberjacks and environmental activ-

There were massive protests each year,

pared to a cathedral, given the quality of its ging on steep slopes and along stream courses last year, a young activist for the environmental to protect the water from runoff that could choke the salmon's reproductive runs. from cutting down trees.

The agreement was finally reached late Monday, after negotiations collapsed Friday night. Talks were broken off and the deal appeared dead when John Campbell, president of Pacific Lumber, said the government was demanding so many restrictions on its logging lands that they would have limited its annual tree harvest below the point that Mr. Campbell said was fiscally viable.

Bit over the weekend, federal and state officials approached Mr. Campbell and his team at Pacific Lumber again. Officials offered to "clarify" the Habitat Conservation Plan in a series of side letters that Mr. Campbell said eventually convinced him that his timber company could cut enough lumber to

POLITICAL NOTES

Buzz Follows Mrs. Clinton

NEW YORK - The would-be constituents in this seen-it-all city looked for a clue Wednesday from the could-be candidate, but Hillary Rodham Clinton had nothing to say about the possibility of running for the Senate. Instead, she talked at a public school about art education and ignored the clamor.

Her audience didn't, she was met by raucous applause, "She's cool, she's not snotty, she's like a real, regular person," said Tiffany Mance, 14.

Mrs. Clinton made no reference to her possible candidacy. Polls taken a few weeks ago gave her a commanding lead in a hypothetical match-up with Rudolph Giuliani, the mayor of New York, for the Senate in 2000.

But another statewide poll released Wednesday by Marist College's Institute for Public Opinion showed a narrowing of the potential race. It found Mrs. Clinton favored by 50 percent of voters with Mr. Giuliani the choice of 46 percent — a gap equal to the poll's margin of error of plus or minus 4 percentage points. (AP)

Gun-Control Bills to Face Off

WASHINGTON — The escalating controversy over efforts by cities to bold firearms manufacturers accountable for gun violence has moved to Capitol Hill, as two Democrats introduced a bill to regulate weapon safety and a Republican readied legislation to curtail lawsuits against gunmakers.

Congress's latest battle over guns came as a dispute

within the firearms industry over how to respond to such lawsuits threatened the job of one of its leaders and put at risk a recently won detente among pro-gun groups.

Both developments stem from suits by local govern-ments seeking damages from gun manufacturers and dealers and more recent efforts by state legislators, encouraged by the National Rifle Association, to preclude such suits. The Democrats' bill to regulate gun safety, introduced by Senator Robert Torricelli of New Jersey and Representative Patrick Kennedy of Rhode Island, would

manufacture and distribution of guns. The bill to curtail lawsuits is being prepared by Representative Bob Barr, Republican of Georgia, an NRA board member and leading foe of gun control. (WP)

require the federal government to regulate the design,

Walling Off Social Security

WASHINGTON — The Republican leadership is debating a plan that would force Congress to end the longstanding practice of using Social Security money for other purposes — but not necessarily right away. Needing money to pay for tax cuts and additional spending, House and Senate leaders Tuesday discussed allowing Congress to dip into Social Security retirement funds for the next several years but then walling the retirement system's money off from the rest of the federal budget.

The idea of weaning the Congress from reliance on Social Security's money has more support among House leaders than among their counterparts in the Senate, many of whom favor putting the retirement system's funds off-limits immediately, Republicans said. (NYT)

Quote/Unquote

Roger Salazar, a White House official, describing the scene as the White House press bus crashed into the plane that was to ferry them home after the president's vacation in Utah: "The entire bus, in unison, shouted 'Whoa.' I don't think I've ever seen this before." (Reuters)

Show Me the Money, **Bush Tells Supporters** By Rick Lyman New York Times Service

hottest sun of the year and with a governor of Texas. stiffening wind whirling the leaves Reporters from n into a frenzy, George Bush and his wife, Laura, sat on patio chairs behind the governor's mansion before several dozen reporters from Texas

Reporters nonnamental networks and publications were told not to attend Tuesday's event, a tape of which was provided to The New York Times by someone who had and almost made the announcement attended. A CNN camera crew was

the former president said Tuesday was for Texas media only, in keep-that, no, this was not it, but he would officially announce—on Sunday—last year that, when he made his the formation of an exploratory committee to raise money and help him decide whether to, sometime this year, become a bona fide candidate for president of the United States. Let the money flow.

The message was a signal to those who had been urging Mr. Bush, the consistent front-runner in national polls, to seek the presidency that he has overcome any lingering doubts about the effect of a bid on his family and would approach the camconvinced, that our love for each other is strong enough and our famother is strong enough and our fam-

discretions and wildness about time to get under way and to allow grass roots. which he has declined to elaborate, some of his initiatives to begin windexcept to say that they are behind him ing their way through the system and that he is now a faithful ansband "I began to get more comfortable

would have destroyed a candidacy, you'd have found them in 1994 or 1998," Mr. Bush said, referring to AUSTIN, Texas — Under the his first and second campaigns for

Reporters from national networks that everyone has been waiting for. halted at the gate. This announce-The two-term governor and son of ment, the governor's people said. presidential decision, he would let his fellow Texans in on it first. The problem was that the news

had already kind of seeped out. Some of the governor's top advisers and campaign aides were quoted, anonymously, in reports in the past two weeks as saying that such an an-nouncement was imminent. And last week, one of them, Mr. Bush's chief political consultant, Karl Rove, told The New York Times on the record that Mr. Bush intended to make the paign with a mind toward winning announcement — a statement that "I am convinced, and Laura is the governor later told Texas reannouncement — a statement that

and that he is now a faithful imsband ... "I began to get more comfortable and family man—said that he had no with the idea," he said Tuesday. "I fears that opponents would mearth began to get a sense of peace skeletons to derail a campaign.

"Had there began skeletons that invide my soul and my heart." skeletons to derail a campaign. side. I began to get a sense of "Had there been skeletons that inside my soul and my heart."



Governor Bush and his wife, Lamra, discussing his presidential campaign plans in Austin, Texas.

will be divided into two parts.

shape, supporters will be able to donate money to a potential Bush campaign. Only then, the governor ity is close enough to take whatever decision shortly after he delivered life brings," Mr. Bush said.

And the 52-year-old governor — only delayed letting the world in on it who has admitted to youthful into give the Texas legislative session matched by dollar support at the lectorate. At some point this

part of the effort, except perhaps to send out a fund-raising letter. He said he would stay in Texas, tending to business through the end of the would be if his exploratory efforts dad, and it was a very miserable year for us. I dread criticism of my hussaid he would keep him from running band. On the other hand, I love my husband, and I'm very proud of him, During that time, he will continue to huge yawn," he said.

Now, Mr. Bush said, the process hold occasional briefing sessions with his policy advisers, including months that he was concerned that Beginning Sunday, when the ex- Mayor Steve Goldsmith of Indianaploratory committee takes official polis (domestic policy) and Provost Condoleezza Rice of Stanford University (foreign policy).

Then, after the legislative session summer of barnstorming the country, come to terms with it. year, Mr. Bush will make his absolute Mr. Bush, however, will not be final, formal announcement that he is

current legislative session in May. were greeted with "'a great thud, a and I know he'd make a great pres-

Mr. Bush had been saying for his wife and twin 17-year-old daughters, Barbara and Jenna, would find the rigors of a campaign too invasive. Now, he said, that concern is behind him.

Mrs. Bush said that she, too, had

"What I hesitated about is the ugliness that we all see of political life," she said. "George and I lived through the 1992 election with his

Several Republicans Defend Law on Independent Counsel

By Frank Bruni New York Tones Service

WASHINGTON — Several House Republicans have challenged dependent counsel. an assertion by the Clinton admin-istration that the independent coun-Republican of South Carolina, sel law should be permitted to fade into extinction, using a hearing on the law's future to pose pointed ques- the country. I think you owe that to

After a deputy attorney general, Eric Holder Ir., told a House panel Tuesday that the administration considered the law so irredeemably flawed that it should be scrapped when it expires at the end of June, he would be willing to spell out the Representative George Gekas, Reprocedures for handling allegations of official wrongdoing in a more publican of Pennsylvania, wondered

mechanism in place," Mr. Gekas, chairman of the House subcommittee on commercial and administra- the Paula Jones case told the Senate tive law, said during the hearing. He Governmental Affairs Committee demanded that the administration that the Independent Counsel Act commended the appointments of five 1978, in the aftermath of the Wa-

present a proposal explaining pre-cisely how allegations of official handled in the absence of an in-

joined Mr. Gekas in that call, telling Mr. Holder, "I think you owe that to

tions about what other safeguards exist against unlawful conduct by high-ranking federal officials.

After a deputy attorney general, committee that the Justice Department itself had powers and avenues of investigation that rendered the independent counsel statute moot,

On Wednesday, the lawyer who

sociated Press reported from Wash-

case, with an endlessly deep pocket to finance it and no time limit in which to get the job done," Robert Bennett told the committee.

[Senator Joseph Links

[Senator Joseph Lieberman of on the panel, said he remained reluctant to allow the statute to expire June 30 when its legal mandate runs out. Mr. Lieberman said he was disappointed by the administration position that the law is so seriously flawed that it must be allowed to die. He said the criticisms cited by Mr. Holder "can be remedied by sur-

would leave the country in.

"We'll come up with something
"I'm worried sick about the prosthect of it dying without a developed hearing concluded.

"Bect of it dying without a developed hearing concluded.

"Bect of it dying without a developed hearing concluded.

"Bect of it dying without a developed hearing concluded.

"Bect of it dying without a developed hearing concluded."

"We'll come up with something Mr. Holder's remarks to the House panel reflected a remarkable turnaround by Attorney General turnsround by Attorney General Janet Reno, who in the early days of represented President Bill Clinton in the Clinton administration was one of the strongest defenders of the independent counsel law and who re-

had become "a nuclear weapon in independent counsels to investigate tergate scandal, to meet concerns the arsenal of partisan politics" and President Clinton and various memwrongdoing would be credibly should be allowed to die. The As- bers of his cabinet. She was heavily criticized for not naming a counsel to investigate questionable fund-rais-

during his Senate trial, and their Connecticut, the senior Democrat questions Tuesday revealed suspicions about the administration's impartiality in calling for an end to the statute that gave Kenneth Starr the

on a variety of fronts and allegations, none definitively proven. Democrats on the House subcommittee railed about what they portrayed as the excesses and abuses of gery as opposed to termination."] Mr. Starr, and many of them said that Mr. Holder's remarks to the his conduct had revealed inherent

authority to investigate Mr. Clinton

problems with the statute. Outside the subcommittee, the elimination of the independent counsel law appears to enjoy considerable bipartisan support.

The law was initially passed in

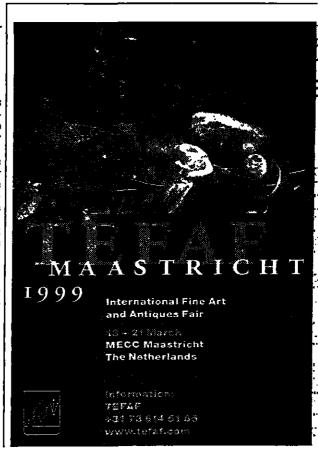
side the government to be able to investigate the president and other

high-ranking federal officials. The independent counsel statute was reauthorized repeatedly over the next two decades, although there was tinkering with its specific provisions and it was allowed to lapse from 1992 to 1994.

The hearing Tuesday was the first that the House held to examine the future of the law.

Members of Congress focused in large part on the many witnesses and targets of these inquiries whose bank accounts had been cleaned out by legal fees and whose lives had been shattered, with Representative Jay Dickey, Republican of Arkansas, drawing special attention to the effect of so many investigations by independent counsels in the president's home state.

"It's been a devastation," he said. "It's been like a tornado has hit, like Sherman's march to the sea," a reference to a scorched-earth campaign in the American Civil War.



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33 Hard copy pages O New York Times/Edited by Will Shortz.

> Internet address: http://www.iht.com

Away From Politics

 Five Muslim women have filed a religious discrimination complaint after losing their jobs as security guards at Dulles International Airport in the Virginia suburbs of Washington. The women alleged that they were dismissed because they refused to remove head scarves, a requirement of their faith. (AP)

•A male university professor who smuggled a poor 15-year-old boy from Honduras into Florida and had sexual relations with him for almost a year became the first person convicted under a new U.S. law barring "sex tourism" targeting minors. (Reuters)

 A teenager who flashed a laser pointer into the eye of a sheriff's deputy has been convicted in Virginia of assault and battery and sentenced to six months in jail. (AP)

• The death toll linked to contaminated hot dogs and deli meats from Sara Lee Corp.'s Bil Mar Foods in Michigan has reached 14, the second-deadliest U.S. outbreak involving listeria bacteria (AP)

In Tomorrow's IHT

Peisure

Travel deals, art exhibits, restaurant reviews and movie guides are just a few of the things you'll find in the Leisure pages. Written with the international reader in mind, this column offers a broad range of options on how to spend leisure time, regardless of where in the world you may be traveling.

Every Friday in the International Herald Tribune.



THE WORLD'S DAILY NEWSPAPER

Beyond Bus Diplomacy,' Little Hope of an Early Settlement on Kashmir

By Brian Knowlton

WASHINGTON - The "bus diplomacy" that brought the leaders of India and Pakistan together for a tension-defusing meeting last month was warmly welcomed by U.S. officials and applauded by those who follow the simution most closely in Washington.

But none of them sees any chance for an early solution to one of the world's most intractable regional disputes: the persistent and often-bloody crisis over the disputed region of Kashmir, where India and Pakistan have fought two wars in a halfcentury. Some hope for nice-sounding diplomatic cover to fix a temporary lid in place; others

do not expect to live to see a lasting solution.

And while U.S. pressure helped bring the two leaders together — edging them to a more comfortable remove from a feared nuclear arms race - the chances of a significant U.S. role in unraveling the Kashmir knot appear smaller than

'The United States, in my view, does not have a role to step in and do the same kind of mediation role they did in the Middle East," Representative James McDermott, Democrat of Washington. said last week, hours after returning from India.

"I don't think that's in the cards." Still, he said he was more optimistic than at

any time in a decade of visiting the region.

The trip that Prime Minister Atal Bihari Vajpayee took in a deep-golden luxury bus to meet his Pakistani counterpart, Prime Minister Nawaz Sharif, in Lahore, reaffirmed a budding, if still

Mr. Vajpayee, embracing Mr. Sharif, called it "defining moment." Some have likened it to President Richard Nixon's historic visit to China in 1972. The leaders vowed in a joint declaration, to "intensify their efforts to resolve all issues, including the issue of Jammu and Kashmir."

Yet even as U.S. diplomatic efforts helped unite the leaders, the South Asians now say they will deal with Kashmir on their own. Pakistan had long insisted that the dispute required international resolution. Whether a bilateral approach will bring progress is unclear. India considers Kashmir an integral part of its

territory; it has dug in its heels there, investing heavily in development and security. It has seen little reason to offer flexibility. But the nuclear tests in May by India and Pakistan shook more than

the ground above the devices that were tested. The risk of miscalculation may not have increased, but the cost of miscalculation has,"

low who has written books about South Asia. "A slight mistake could lead to a catastrophe.'

Kashmir specialists — who gathered in Washington to discuss the topic: "Kashmir: A Stalemate Forever?" — were less pessimistic than that tole implied. But they agreed that any real countries is seen as well as the statement of solution is years away.

"Some people are going to have to die first," said one of the specialists, Sumit Ganguly of Hunter College in New York — not violently, he hastened to add, but of old age, before hatred and distrust born during the bloody days of India-Pakistan partition can be forgotten

Hasan-Askari Rizvi, a teacher of South Asian studies at Columbia University, said the summit meeting in his hometown, Lahore, had helped build the beginnings of confidence, but hard issues would have to wait.

"I don't think there will be any meaningful dialogue on Kashmir in the near future," said Mr. Rizvi, author of a book on the Pakistani military, but they won't go to war over Kashmir.'

The issue is complex. Along with the majority Muslims and minority Hindi, there are sizable numbers of Buddhists and other ethnic groups; part of historical Kashmir is occupied by China. The beautiful, mountainous region arouses

infiltration have kept those hot. As many as 800 may be the Wailing Wall," he said, every bit as people have disappeared in Kashmir since 1990 after arrests by the police or armed paramilitary forces, the human rights group Amnesty International said Tuesday.

So the two sides will need to build a structure of smaller agreements before turning meaning-fully to Kashmir, said the specialists, brought together by Brookings and another research institute, the Center for Strategic and International

That, they said, might allow time for the coming-to-age of young, self-confident Indians and Pakistanis more keen on profiting from crossborder commerce than in keeping alive old ethnic

divisions and national hatreds.

Teresita Schaffer, once the top U.S. diplomat for South Asia, said the Lahore declaration wisely contained the seeds of agreement on "win-win" issues, like the year 2000 computer problem, with uncontroversial solutions.

As with the thorny and often-postponed "Fi-nal Status" talks on Jerusalem, the Kashmir question might best be perched on a back burner for the indefinite future while confidence grows, she and others said.

'Kashmir may be the last of the issues to be

said Stephen Cohen, a Brookings Institution fel-fiery passions, and cross-border incursions and settled," said Stephen Cohen of Brookings. "It intractable an issue as the Jerusalem edifice also known as the Western Wall. "But I'm fairly confident the two countries have found ways to

The two leaders have agreed on measures of transparency and restraint designed to reassure nervous friends and neighbors. They plan to exchange information on missile tests and military exercises. U.S. officials, most energetically Deputy Secretary of State Strobe Talbott, had

fervently lobbied for just such progress. In what has become almost a mantra of State Department policy, Washington has long held that the Kashmir dispute must be resolved bilaterally, with no U.S. role unless both sides ask for one. But the South Asians also appear to be bowing to forces in each country wary of the American giant. "We don't need interpreters," one Indian official said just before the Lahore meeting. "We speak the same language."

American specialists, in any case, differ on what role U.S. mediators could usefully play. Mr.

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Cohen favors a full-time special envoy for South Asia, as Dennis Ross is in the Middle East. But Mrs. Schaffer said she saw no productive ground at present for "a major U.S. diplomatic effort."

Uganda Vows

Indonesia Sends Troops to Ambon

AMBON, Indonesia - The Indonesian military, struggling to contain re-ligious unrest on the island of Ambon, has sent in hundreds of reinforcements with orders to shoot rioters on sight and has dismissed the local police chief, the armed forces chief said Wednesday.

But the violence continued despite the presence of the reinforcements. Soldiers fired warning shots in front of a church in coastal Ambon to disperse a Christian mob and blocked hundreds of Muslims who were marching toward the Chris-

In the capital, Jakarta, about 2,000 Islamic students gathered outside the military's headquarters and accused soldiers of supporting Christian rioters. They chanted "holy war" and "God is

About 90 percent of Indonesia's 210 million people are Muslim, making it the world's most populous Islamic state. A large proportion of Ambon's population, however, is Christian.

In a leadership shake-up, the military chief, General Wiranto, dismissed the regional police chief, who has been handling the religious clashes that have a mosque near Ambon. The military shoot troublemakers.

General Wiranto, like many Indonesians, uses just one name.

At least 161 people, including two soldiers, have been killed since the violence erupted in January in Maluku Province, once known as the Spice Islands, according to Information Minister

The latest unrest in Ambon, Maluku's

Angry Christian men then tried to stop a car believed to be owned by

ing in a Protestant church.

Soldiers fired in the air and blocked Muslim refugees, some carrying knives, sided with an ethnic group from their who tried to approach the Christians region. from a nearby mosque.

claimed at least 38 lives in the past week. denied that its officers shot four Muslims as well as allegations that it had taken sides in the fighting.

About 1,400 troop reinforcements arrived in Ambon, 2,250 kilometers (1,400 miles) east of Jakarta, on Tuesday and Wednesday. Their numbers bolstered hundreds of police and soldiers already

At a welcoming ceremony, the Mr. Yosfiah said rioters burned or vandalized 18 churches and 18 mosques, told the new arrivals to remain section 134 vehicles and 3.544 houses 134 vehicles and 3,544 houses.

Tens of thousands of people fled their homes as rival mobs fought with swords, bows and arrows and gasoline bombs.

"We hope the restoration of law and order will pave the way for a peace between the two bodies in conflict," he said.

Hours later, in comments to reporters, capital, broke out after unidentified as- General Wiranto said without elaboratsailants stabbed a Christian refugee stay- ing that Colonel Karyono would be re-

> General Wiranto also said that one battalion from neighboring Sulawesi Is-land would be withdrawn from Ambon to curb speculation that its troops had

He pledged that hundreds more sol-On Monday, five people were killed diers would be sent to Ambon in the next when Christians attacked worshippers at few days and said that they had orders to



Young Muslim women crying Wednesday outside military headquarters in Jakarta during a protest over recent killings of Muslims in Ambon.

"I ordered the troops to shoot at their feet so as to paralyze them, but not kill taking sides," said one protester, who them." General Wiranto said. them," General Wiranto said.

demned the military's handling of the peacefully to a nearby university.

The student protesters in Jakarta con- Reza. The protesters later marched

"The soldiers are involved. They are

Japan Moves Closer To Sales of the Pill

The Associated Press

TOKYO - A Health Ministry committee approved the sale of birth-control pills Wednesday, news reports said, clearing the way for the pill's sale in Japan almost four decades after its first use in the West.

The pharmaceutical committee will give its recommendation to the ministry in June, meaning the pill could be available by au-turn, the reports said. A Health and Welfare Ministry spokesman refused to comment. The approval took place as women's

groups voiced outrage over a ministry decision in January to approve Viagra, a treatment for male impotence, after de-liberating just six months. An application to approve birth-control pills had lan-guished in the ministry for nine years. Doctors in Japan, who say they are wor-

ried about side effects, have resisted the pill. But women's groups say doctors don't want abortions to decline. One in five pregnancies in Japan ends in abortion. Doctors get about 100,000 yen (\$830) for the procedure, making the operation a lucrative one in a country where the national health program caps fees for most other

10 Years On, a Call for Tiananmen Square Redress

By Elizabeth Rosenthal New York Times Service

BEIJING - With the 10th anniversary of the June 4 killings in and around Tiananmen Square fast approaching, a group of victims of the planned to involve hundreds of thou-military crackdown and their families sands of people and take place in Miss Ding said: "It has been 10 after the dissident announced he was have renewed calls for the Chinese government to reassess the incident.

Led by Ding Zilin, a professor whose 17-year-old son was killed, the group is asking for a new investigation to clarify who ordered soldiers to move against student demonstrators as well as for a law on compensation for the victims, who they say number in the

tens of thousands. Chinese leaders in the past year have made clear that they see no need for a review, that the government's actions on June 4, 1989, were correct.

But in a letter it sent Wednesday to China's senior leaders and its legislature, the June Fourth Victims Dialogue Delegation said that the government position "in no way" represented popular opinion. "We can not accept it." the group wrote.

of the country's 50th anniversary. Ofplanned to involve hundreds of thou- last 100 years."

Tiananmen Sonare. Some of those involved in the smdent-led protests of 1989, now 30something academics and businessmen, have been visited by local publicsecurity officers. They were admon-ished not to make trouble this year.

■ Protests to the Legislature

In their letter to China's president, prime minister and two other senior leaders, the group of self-described victims of the June 4 crackdown demanded a dialogue and a full accounting for "one of the most brutal peacetime massacres" in the 20th century, The Associated Press reported from

Beijing.
The June Fourth massacre seriously damaged China as a country and investigation into the crackdown or stitutional commission and court be set a people," said the letter, a copy of provided credible figures on the num-up.

The Tianammen Square anniversary which was released by Human Rights ber of dead or wounded. Instead, they comes four months before celebrations in China, a group based in New York. justify the government's actions by of the country's 50th anniversary. Of- "Thousands of families lost loved calling the student protests an antificials seem determined not to let unones. Tens of thousands were injured pleasant memories cast clouds over an or disabled. This was the most ruthless elaborate celebration of Oct. 1, act of peacetime violence in China's of Shenzhen, police took Miao Xike

ears, and we still cannot s loved ones, 'Rest in peace.' "

back justice for that day." Aside from herself, Miss Ding said, the petitioners included 17 people whose relatives were killed and two

who had been beaten. The suppression of the democracy demonstrations that drew a million people to Tiananmen Square in the spring of 1989 remains one of the most

divisive issues in Chinese politics. Deng Xiaoping is believed to have demanding an end to a penal system ordered the crackdown. Although the that allows detention without trial for Chinese leader died two years ago, his up to three years and an open letter successors, fearing they would be from members of the outlawed China blamed, never have allowed an open Democracy Party asking that a con-

Continued from Page 1

growth probably was considerably lower.

but analysts generally agreed that targets

Mr. Zhu's speech says the proposed

This is a pretty low level, and they

1999 deficit will be "lower than the

internationally accepted alarm level" of

can sustain it." said Jim Lam, chief

representative of ABN-AMRO Asia in

But some were concerned that China

might be pumping money into the econ-

3 percent of gross domestic product.

for this year were not unrealistic.

government rebellion. Meanwhile, in the southeastern city

starting a political party.

The Miao announcement and June "When can their spirits rest in Fourth Victims Dialogue Delegation eace?" she asked. "When we get petition are part of a number of actions petition are part of a number of actions timed to accompany the annual session of the Chinese legislature, which is to

begin Friday.

The Information Center of Human Rights and Democratic Movement in China, a group based in Hong Kong that reported on Mr. Miao, listed other appeals sent to the legislature. These included a letter from 44 dissidents in the northeastern province of Liaoning

rise in spending that would not be matched by rising tax revenues in a slack

"If you include government spending

'They've got about two years in

which they can continue to use fiscal

economy.

diplomat said.

tims, whose murder has caused international outrage.

The rebels were armed with machetes, AK-47 assault rifles and spears. They gave the first secretary from the French Embassy in Kampala, Anne Peltier, who was among a group of tourists separated out and left behind, a note expressing the

with the American and British because they have preferred to support the Tutsi

omy recklessly. Chi Lo, head of China research at HSBC in Hong Kong, said the proposed deficit, while low, represented a sharp economy," a Western diplomat in Beijing said, "because they're just not getting in enough revenue to be able to afford to keep it going." BRIEFLY

Albright Observes

Before traveling to the capital, Mrs. Albright met with young wom-en rescued from a life of prostitution by a nongovernmental agency that offers them education and job train-

there is going to be improvements in democracy, in economic transformato be very much a part of it," Mrs.

She was to meet Thursday with Foreign Minister Surin Pitsuwan and Prime Minister Chuan Leekpai. (AP)

ficial as saying Wednesday.

"We are not going to test-fire any missile in the near future," the news agency quoted Brajesh Mishra, the

tion for the people, that women have the government was expected to test the Agni II missile from an island off the

To Hunt Down **Tourist Killers**

KAMPALA, Uganda — President Yoweri Museveni vowed Wednesday that Uganda would pursue the rebels who murdered eight tourists and capture or kill them

We shall follow them, we shall try to capture them and if we don't catch them, we shall kill them," Mr. Museveni said. He said more troops would be sent to the remote area where Rwandan rebels murdered four Britons, two Americans and two New Zealanders.

Mr. Museveni spoke at a news con-ference after U.S. FBI agents arrived in Kampala and as Ugandan troops pursued operations in the country's southwest, crossing the border into the Democratic Republic of the Congo to hunt for down the killers.

The president said the Ugandan authorities were partly responsible for the killings because park rangers knew of the dangers but did not tell the military. "The park authorities should have foreseen this problem and asked for sup-port," he said. "We therefore regret this mistake. On the one hand, it is the criminality of the Interahamwe, but on the other hand, there was also laxity on our own people in respect to guarding these won-derful visitors of ours." The Interaham-

we are armed Hum extremists.

The dead were among more than a dozen foreigners the rebels kidnapped in their fight to undermine Rwanda's Tutsi-led government.

At least six other tourists escaped, but three men were still missing. Their nationalities were not known. The bodies of the victims were still being identified Wednesday. The tourists were killed after being

kidnapped by the Hutu extremists in the Bwindi Impenetrable Forest National Park. A British diplomat said most victims were hacked to death. One of those to have survived Monday's dawn attack, Mark Ross, de-

scribed late Tuesday how two Americans were the first to die after one of them was raped. Some of the survivors were due to go the central hospital in Kampala on Wednesday to identify the bodies of the vic-

The 14 tourists were seized when a band of more than 100 Interahamwe militiamen, Hutu "death squad" youth forces held partly responsible for Rwanda's 1994 genocide of up to 800,000 people, swept down on their

on sustaining the state sector via borrowing from policy banks, the fiscal deficit could be much higher, even 4 insurgents' objectives.
"The Interahamwe are not happy percent of GDP," Mr. Lo said.
Whatever the deficit ratio, persistently weak government revenues pointed to a "tight situation" in the future, a ethnic minority against the ethnic Hutu majority," the message said.

2 Intel Executives **Among Victims**

PORTLAND, Oregon — A pair of Intel Corp. executives who first traveled to Africa together on their honeymoon returned to the rain forest in search of adventure and gorillas, only to be brutally killed in a rebel kidnapping. Rob Haubner and Susan Miller were the only Americans slain

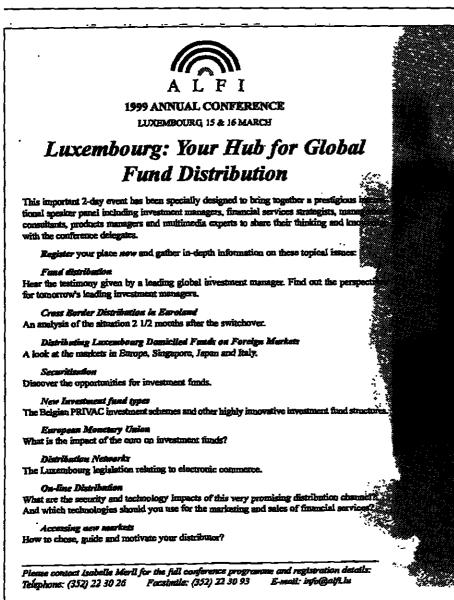
when Rwandan rebeis stormed their camp Monday in Uganda. Eight foreign tourists were killed

and six others rescued. Mr. Haubner and Ms. Miller had worked for the computer chip giant since the mid 1980s and were based in Oregon. He was worldwide director of customer support; she was a senior trade show man-

Mr. Haubner and Ms. Miller were on a two-week vacation, their third trip in as many years to Africa with a goal of catching a glimpse of

the nountain gorilla.

"They loved to travel around the world," said William Calder, an Intel spokesman. "We're shocked and stunned."



tions Lagos, killing one per-

Lagos Mobs Kill CHINA: Budget to Call for Record Deficit At Least 5 Police In Pair of Raids

The Associated Press LAGOS — At least five Nigerian policemen were killed Wednesday when rioters attacked a police barrack and a police station in the commercial capital of Lagos, police sources said. The Oyagbo barrack was

badly damaged, and the Adakara police station, about 16 kilometers (10 miles away) was burned down.

Peter Ooh, a police officer from the Adakara station, said that attackers had dragged many of his colleagues from the building and killed five of It was not immediately

clear what triggered the at-tacks, but it appeared that they had been carried out by people opposed to the victory of Olusegun Obasanjo, a retired general and former military ruler, in the presidential election on Saturday.
On Monday, attackers destroyed two other police sta-

son and injuring four others. Police in riot gear fired live ammunition into the air Wednesday to disperse both the attackers and hundreds of terrified pedestrians caught in the melee in the Moshin neighborhood, where the po-lice station was attacked, on the northwestern fringes of Lagos. The pedestrians ran for cover with their hands in the air to demonstrate they

policy to give a big stimulus to the economy," a Western diplomat in Beijing said, "because they're just not get-

Thai Reform Efforts

secretary of state, Madeleine Albright, encouraged Thailand on Wednesday to stay on the path of democratic and economic reform while fighting illegal drug commerce and prostitution.

ing.
"I think that we are learning that if

BANGKOK — The visiting U.S. India Has No Plan To Test New Missile

NEW DELHI - India has no immediate plan to test-fire a longer-range version of its Agni ballistic missile or any other missile, the Press Trust of India quoted a senior government of

principal secretary to the prime minister, as saying. Earlier the United News of India said



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IBYOU WANT TO SEE SOMETHING done, just tell some human beings it can't be done. Make it known that it's impossible to fly to the moon, or run a hundred metres in nine-pointnine seconds, or solve Fermat's Last Theorem: Remind the world that no one has ever hit sixty-two home runs in a season. Stuffed eighteen people into a Volkswagen Bug. Set half the world free Or cloned a sheep. Dangle the undoable in front of the world. Then, consider it done.

HONEN ACHHEVEMENT

Kan Mertill Lynch

London Gallery Fingers Works That May Be Nazi Plunder

LONDON — It's not the most popular or the visitors to the National Gallery.

The radiant canvas has become an object of attention this week because of its historical

Or, more precisely, its lack of one. It is one of several dozen important works that the National Gallery now fears might have been looted by the Nazis in the 1930s and '40s.

As part of an international effort to help restore
Nazi phunder to its rightful owners, several major
museums in England have said they would infirst to do so.

Museums around the world are expected to
issue such lists; the National Gallery says it is the
first to do so. vestigate any works acquired since 1933 that did not have a clear and Nazi-free chain of ownership.

By Steven Lee Myers

WASHINGTON -- Although NATO

remains poised to act, the United States

and its allies have no intention of launch-

ing punitive strikes against Yugoslav military targets at this point despite an

army buildup and renewed fighting in

Rosovo, according to administration of-

By R. Jeffrey Smith

PRISTINA, Yugoslavia — Hashim

Thaqi, a senior commander of the rebel

Kosovo Liberation Army, was named to

head a provisional government estab-lished by the province's ethnic Albanian

majority, eclipsing the role played by Ibrahim Rugova, a pacifist long sup-ported by the United States.

U.S. officials said they hope to per-

spade Mr. Thaqi, 29, to embrace non-

violent politics during a scheduled visit

by Kosovo's ethnic Albanian leaders to

Western plan to end the year-old ethnic

war in Kosovo, a province of Serbia, the

According to an announcement by the

Kosovo Liberation Army late Monday,

Mr. Thaqi will be the prime minister of

an unofficial interim government estab-

dominant republic of Yugoslavia.

Yugoslavia's deployment of heavy

Rebel to Head Ethnic Albanians

Washington, during which the Clinton influence for Mr. Rugova. In elections

administration will seek backing of a not recognized by Yugoslavia or Serbia,

ficials and NATO diplomats.

The effort follows a conference in Washington in December at which 44 nations approved a set of guidelines for handling art looted by the Nazis.

Nobody knows whether this kind of thing will most valuable work in the collection, but all of a lead to the restoration or compensation for any sudden Eugene Delacroix's powerful "Christ on owners," said Janice Lopatkin of the Holocaust the Cross" has become a must-see painting for Educational Trust, based in London. "But we wouldn't be asking museums to go through the process if we didn't suspect that there are works stolen by the Nazis in prominent collections

> On Monday, the National Gallery listed 120 works of dubious provenance it had acquired since 1933, the year Hitler's National Socialist Party won control of the German government.

around the world.

NATO Reluctant to Strike Serbs Now

special police officers, as well as re-

newed altacks, clearly violate the cease-

fire agreement brokered last autumn be-

tween the Yugoslav government and eth-nic Albanian rebels fighting for Kosovo's independence, officials said.

zation said at the time that it would

enforce the cease-fire with military

force, if necessary.

But the officials, who spoke on the

peace accord is signed and elections are held for new members of a Kosovo

Albanian delegation at talks with Yugoslav officials in France last month

and opposed signing the peace accord. The talks ended without agreement, and

the United States and its European allies

Mr. Thaqi's appointment, which was

approved by other ethnic Albanian polit-

ical leaders who took part in the talks,

marks the end of a two-year slide in

he was overwhelmingly chosen president of Kosovo's ethnic Albanians in

who rose to prominence as a dissident

during the Communist era here, was

accused of weak leadership that helped

galvanize support for armed resistance

1992. But Mr. Rugova, a literary critic cea

France to resume talks on March 15.

Parliament, perliaps later this year. Mr. Thaqi served as head of the ethnic

The North Atlantic Treaty Organi-

Its list includes two Monet landscapes and

weapons and increase in the number of condition of anonymity, said that a strike

works by Rubens, Picasso and Pissarro.

passed into the world art market.

against Yugoslav forces now would

scuttle efforts to reach an accord be-

tween the two sides once peace talks resume near Paris on March 15.

said progress had been made in talks to

convince ethnic Albanians to accept a

peace deal on Kosovo, Reuters reported

["There's good progress with the Kosovars," said David Leavy, a White

House spokesman. He said there were "indications that they are going to of-ficially embrace the political settlement

and we are encouraged by that and we're going to move forward to lock that in.'] The U.S. officials also said it was hard

for the NATO allies to contemplate

striking Yugoslav military targets when the rebel factions also have violated con-

ditions of the agreement with ambushes

as the Yugoslav government to move

round of talks last week in France, the

case for NATO air strikes also was

only if the Yugoslav violations of the

ise-fire become much more grave.

NATO will respond," a NATO dip-

lomat in Washington said. "It will be

judged when it happens."

e-agreed level of violence at which

With the rebels seemingly as reluctant

from Washington.

and kidnappines.

have asked the two sides to return to toward a peace agreement at the last

The United States on Wednesday

In recent years, museums and governments have been trying to develop an international sysvestigations to the Art Loss Register, an inter-

because little is known about its whereabouts

during the Nazi era. The 19th-century French

painting is believed to have been in the collection of a German Jew until 1932, when it was sold at

auction for a surprisingly low price. It turned up next in 1975 in the possession of a Paris art dealer,

who sold it to the National Gallery the following

soldiers found large caches of priceless art that had been snatched from private homes and museums

all over Europe. Some works were returned to

their prewar owners, but thousands of pieces

When the Third Reich fell in 1945, Allied

The museum listed the Delacroix crucifixion national group that tracks stolen works and tries to return them to their owners.

The National Gallery has pledged to investigate the history of each object on its list and to try to establish a definite chain of possession to make sure it is not holding property stolen by the Nazis. But even a painting clearly determined to have been stolen by Nazis probably would not be returned to its owner.

British law bans the return of moseum exhibits to their place of origin. That's why the British Museum still proudly displays the disputed Elgin Marbles, carvings that were chopped from the Parthenon in Athens and shipped here in the early 19th century. British museums are full of objects from around the world.

If a British museum were to determine an art tem to track the Nazi plunder. British museums work in its collection had been stolen by the Nazis, have agreed to provide the results of their initiation in the collection had been stolen by the Nazis, work in its collection had been stolen by the Nazis, sation to the owner.

BRIEFLY

War Crimes Suspect Taken Ill in Croatia

ZAGREB - The former commander of Croatia's notorious World War II concentration camp was rushed to a hospital for unspecified reasons on the eve of his trial for crimes against humanity, the government news agency said Wed-

nesday.
Dinko Sakic, 77, who had been extradited from Argentina in June, was to go on trial Thursday at the Zagreb district court for alleged offenses committed during his term as commander of the Jasenovac camp in 1944.

It was unclear whether the trial would

be postponed.

France to Try Noriega For Money Laundering

PARIS - A French court plans to try the former Panamanian dictator Manuel Noriega and his wife, Felicidad, in ab-

sentia on charges of drug money laundering, officials said Wednesday.

The trial, scheduled to begin June 10, will focus on the alleged laundering of 15 million francs (\$2.5 million) in 1988-89 through some of France's leading

Mr. Noriega is serving a 40-year prison term in the United States for mon laundering and drug trafficking. (AP)

Swedish Child Aide Held for Many Abuses

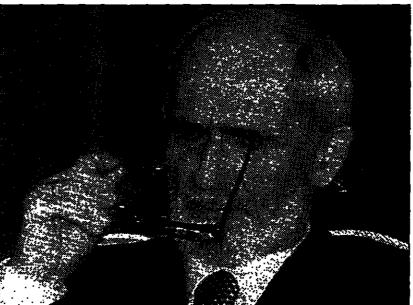
STOCKHOLM — A Swedish day-care worker arrested for suspected child abuse may have assaulted up to 10 children in acts recorded on hundreds of pornographic videos and photographs, Swedish authorities said Wednesday.

The 22-year-old unemployed man was arrested in Orebro on suspicion of repeatedly raping his girlfriend's fiveyear-old son. The case has shocked the country and undermined confidence in Orebro's social services.

Britain Raises Stakes

LONDON - The British government

The initiative comes at a time of tense relations between London and Madrid over Gibraltar. The conflict erupted in January over fishing rights in the waters



Rexhep Qosja putting on his glasses after he received an award Wednesday in Tirana, Albania, for his literary and academic work. Mr. Qosja, one of the ethnic Albanian delegates to the Kosovo peace talks in France, said he was confident they would sign a deal offering autonomy.

■ Humanitarian Aid Arrives

"We're back to square one again," a Pentagon official said Tuesday. "NATO Humanitarian aid groups sent conhas pulled out the 'we're ready to act' card way too many times." He said voys to Kosovo's border with Macedonia during a hull in fighting Wednesday to help thousands of ethnic Al-NATO could still resort to force, but banians displaced by an escalation in fighting, The Associated Press reported "What we don't have at this point is a from Pristina, the Kosovo capital.

Hundreds of people have been camped in the open this week because of the fighting. Yugoslav Army and Serbian police forces have fired on suspected border area.

positions of the rebel Kosovo Liberation

Army in the past several days.
In some of the heaviest fighting since U.S.-led peace talks were suspended last week, several rebels and a Yugoslav Army sergeant were killed Tuesday, according to the Serbian Media Center

No new fighting was reported by Wednesday afternoon, but a 15-vehicle convoy of armored vehicles and trucks carrying troops and heavy weapons arrived to beef up Yugoslav forces in the

In Gibraltar Dispute 🏻 🏚

announced Tuesday it wanted to obtain the right for Gibraltar residents to vote in European elections, in an initiative certain to raise the hackles of Madrid.

surrounding the peninsula.



lished by ethnic Albanians to rule until a to Serbian rule.

REPUBLIC OF CAPE VERDE

Invitation for Expressions of Interest

for Pre-qualification to acquire 51% of the shares of ELEC-TRA SARL for the production of Electricity and Desalinated Water and, Concession Contract for the distribution of electricity, water and wastewater treatment facilities.

The Government of Cape Verde (GOCV) has commenced a privatisation programme to introduce private sector participation in the electricity, water and wastewater sectors. As a part of this programme, the GOCV has begun the legal and regulatory reform of its electricity and water sectors, with the objective of creating a transparent environment for the sustainable development of electricity and water supplies in all nine islands of Cape Verde. High priority is being given to the attraction of private sector investment and expertise in power generation and distribution on all islands, desalinated water production and distribution on four islands, and the operation of wastewater treatment facilities on two islands.

The GOCV invites expressions of interest from strategic investors for the acquisition of 51% of the shares of ELECTRA's production facilities, with a long-term concession contract for the distribution networks of electricity and water services, to submit Pre-qualification Documents in order to be considered for selection as Pre-qualified Applicants. The Municipalities' share ownership of ELEC-TRA is 12.3%. The GOCV will retain 100 shares and Golden share rights. The remaining shares will be offered for sale to employees of ELECTRA (5%) and approximately 31.67% will be offered for later sale to the local public and Cape Verdean emigrants. Pre-qualified Applicants will be afforded the opportunity to respond to a Request for Proposals (RFP) in respect of the sale of the Governmentowned shares (51%) in ELECTRA. Applicants may be electricity and water utilities or consortia led by an electricity

Interested parties may obtain a copy of the Pre-qualification Document by e-mail or down load from the Internet (www.cvprivatisation.org), or by written request to:

E-mail: pare.adm@mail.cvtelecom.cv Programa de Apoio as Reformas Económicas

Mr. José Goncalves, Administrator

Av. OUA - CP 266-A Praia - Cape Verde Islands Phone: (238) 62 33 80 Fax: (238) 62 33 60

The Pre-qualification Document must be accompanied by a bank draft payable to "Tesouro Publico" in the amount of 20,000 Euros. The Pre-qualification Document will be due by 16:00 hours on Monday, March 29, 1999. Eligible bidders may contact the above address for clarification or any questions regarding the Pre-qualification process.

BERLIN: Spy Files Are Sore Point

Continued from Page 1

Karsten Voigt, the coordinator of U.S.-German relations for the German Foreign Ministry, said it was ironic that in the eyes of many Germans, the United States is aligning itself with former Communists and their sympathizers who have been trying desperately to cover up the truth about their past.

'We simply find it hard to understand how a great country, which says it stands for freedom, behaves like those in Germany who are trying to block access to the files," Mr. Voigt said. "If this perception is allowed to continue, it could create a lot of problems for our relationship."

that the United States is hiding information on the Stasi's penetration into West Germany. During the 40-year history of East Germany, officially called the German Democratic Republic, between 20,000 and 30,000 West Ger-Stasi. With language posing no obstacle, it easily infiltrated almost every sector of West German society, including business, politics, academia, labor unions and the media.

Yet, German officials who have been allowed to see what they call "sanitized" versions of the files in Washington have been allowed to copy the names of only 1,500 agents who operated in the West. The possibility that many Stasi collaborators in the West are escaping retribution for acts of betrayal — with the perceived consent of the United States — has stirred resentment among East Germans who were forced to endure the pain of confronting their complicity with the repressive Communist regime. In 1995, Germany's constitutional court

have taken steps toward choosing a new leader to replace Abdullah Ocalan, a Turkish newspaper said Wednesday. The new

the Kurdish Workers Party had appointed a senior commander, Cemil Bayik, as the guerrillas' 'high authority.'

Mr. Ocalan, who founded the rebel movement and led its armed campaign for 14 years, was seized in Kenva last month and flown to Turkey for trial on treason charges. Kurdish sources said any new title for Mr. Bavik did not mean he was a direct replacement for Mr. Ocalan but was recognition that he now had a

ANKARA - Kurdish rebels in Turkey self-rule in southeastern Turkey.

Kurdish Rebels in Turkey Move to Replace Ocalan

founder of the guerrilla group in 1978 and is unilaterally declared Kurdish cease-fire. alleged to have planned an attack on the "There was never a full cease-fire beaper Milliyet said a meeting of army in 1984 that is regarded as marking the start of the armed campaign.

threw him out under pressure from Turkey.
Milliyet said Mr. Bayik's promotion had

dealt a blow to the leadership hopes of Mr. Ocalan's brother Osman.

greater role in the rebels' fight for Kurdish trial for treason blamed Abdullah Ocalan for a 1993 attack on a bus in which 33 unanned Mr. Bayik, in his late 40s, was a fellow soldiers were killed. The assault broke a

cause the army continued operations, "Semdin Sakik told a court in the southeastern He is believed to have been fighting in the regional capital Divarbakir. The rebels' mountains of Turkey and northern Iraq since former No. 2, Mr. Sakik was snatched by then, unlike Mr. Ocalan who lived in Dam- Turkish forces in northern Iraq last year ascus for 18 years until late 1998, when Syria shortly after he defected from the group following a break with Mr. Ocalan.

A soldier was killed and five injured in an

overnight Kurdish attack on a convoy on the main road between Diyarbakir and the nearby Another senior guerrilla commander on city of Mardin, security officials said.

Senior German officials said they suspect ruled that East Germans could not be prosecuted for treason, because they were operating under the laws of their country. But the court ruled that West Germans who worked for the Stasi could be prosecuted.

U.S. officials said turning over the archives mans are believed to have worked for the to the Germans would expose many friendly agents still operating in Western nations to retaliation by their victims. The United States is also believed to have informed many individuals that they are cited in the files to reduce their vulnerability to blackmail, and possibly even to have hired some of the former East German spies whose services may prove useful.

Rejecting those arguments, Ernst Uhrlan, Mr. Schroeder's adviser on intelligence, said the German government did not understand why the United States insisted on denying the Stasi files to a close ally, when the Russians presumably possess the same information.

'In the long run, it is unacceptable for the

likely double is in Russia," Mr. Uhrlan said. German intelligence sources are convinced the CIA acquired the Stasi archives through a Russian connection, at a price estimated between \$1 million and \$1.5 million. The sources said the transaction is believed to have taken place in the first half of 1992 - nearly two years after the collapse of East Germany's Communist government

The true story remains a mystery, but U.S. officials have touted the heist or purchase of Munich, was thwarted from going after the archives when then-Chancellor Helmat Kohl, fearing an espionage fiasco could upset his plans for German reunification, banned any clandestine activities in the East.

Differences between Germany and the United States over the fate of the Stasi files have magnified other strains between the two German government that relevant files are countries' intelligence agencies. German ofsitting in the United States and a possible or ficials said they were upset, for example, by

domineering U.S. attitudes that reflect the Cold War days, when American intelligence employed an estimated 25,000 people in West Germany and treated the country more as a

quasi-protectorate than a sovereign ally.
In March 1997, Germany ordered a CIA officer to leave the country after he was caught trying to persuade an Economics Min-istry official to hand over information about high-technology deals with Iran. More recently, the Schroeder government became upthe files as one of the CIA's greatest triumphs, set when the United States gave no warning it. German officials said their intelligence was assisting Turkey in the pursuit and capagency, the BND, located in Pullach near ture of Kurdish rebel leader Abdullah Ocalan in Kenya — an event that sparked violent disturbances among the 500,000 Kurdish ex-

iles living in Germany.
"The Cold War may be over, but we still share a lot of common goals and common threats that should make us see it is in our own interests to work together," a senior German official said. "But this can only be done on a basis of mutual respect, which we do not seem to be getting from Washington these days."

Dusty Springfield, Pop Singer, Dies at 59

By Stephen Holden

don.

She died of breast cancer, her ernment.

agent, Paul Fenn, said. She had
been battling the disease since

"I Only V

Ms. Springfield had one to the longest recording careers of any song.

Other major 60s hits included contemporary pop star, beginning in 1961, when she had the first of several hits with her folk-pop trio, the Springfields, and ending with both written by Burt Bacharach her 1995 album, "A Very Fine Love." She had most her major blied Ms. Warwick with most of hits in the 1960s, when she was considered the British equivalent of Dionne Warwick, and recorded Love," from the soundtrack for only intermittently after the early 1970s.

Her career was briefly rejuvenated in 1987 when the English

Dusty Springfield, 59, the longtime fans, produced her top-five hit, "What Have I Done to smoky-voiced English torch singer whose interpretations of pop and produced "Nothing Has ballads were suffused with a Been Proved," the dense, swirlheartbroken wistfulness, died ing post-disco theme song from Tuesday night at her home in the 1989 movie "Scandal," Henley-on-Thomas, west of Lon-about the Profumo sex scandal that had rocked the British gov-

> Ms. Springfield became an international pop star in 1964 with "I Only Want to Be With You," a

> "Wishin' and Hopin'" (1964), and "The Look of Love," (1966), her early hits. Ms. Springfield's sultry rendition of "The Look of 'Casino Royale,' anticipated the heavy-breathing eroticism of Donna Summer a decade later.

due the Pet Shop Boys (Neil Tennant and Chris Lowe), who were longtime fans, produced her top-jerker that reached No. 4 on Bill-peripatetic existence, living board's singles chart. The country-soul ballad, "Son of a Preacher Man," her Top 10 hit from 1968, won new respect after being prominently featured in the

1994 movie "Pulp Fiction." field Collection."

Dusty Springfield was born
Mary Isobel Catherine Bernadette O'Brien on April 16, 1939 in

Drew 'Smokey Bear' Hampstead, London. While attending British con-

called the Lana Sisters, but quit to died last Thursday at a hospital form her own folk- pop group, the springfields, with her brother Mr. Rossoll, an illustrator in the before breaking through in Amer-Her best-seller, "You Don't ica with a top-20 single, "Silver committee in 1944.

After the 1970s, the singer led a peripatetic existence, living sometimes in Los Angeles, the Netherlands, and London In 1997, Mercury Records released a three-CD, 77-song anthology of her career, "The Dusty Spring-

New York Times Service

Harry L. Rossoll, 89, a Forest vent schools, she discovered the Service illustrator whose music of Peggy Lee, whose in "Smokey Says" newspaper cartimate come-hither style was a toons helped make Smokey Bear major formative influence. She almost as famous as Santa Claus got her professional start with an and an almost universally recog-Andrews Sisters-style group nized symbol of forest fire safety,

Tom and a friend, Tim Field. Pro- Forest Service's regional office in moted as a British answer to Peter, Atlanta since the mid-1930s, was Paul and Mary, the group had a in the navy in San Francisco, popular British television program drawing morale-boosting posters and scored several English hits for the Treasure Island base when Smokey Bear was created by

2d Balloon Team Bides Its Time Over Africa

The Associated Press
GENEVA — The Swiss-British balloon team racing to be the first to circle the globe nonstop flew over North Africa on Wednesday and decided to hold off entering the speedy jet stream winds.

At an altitude of 5,700 meters (19,000

feet) and a cruising speed of 65 kilo-meters (41 miles) an hour, the Breitling Orbiter 3 balloon crossed the Moroccan coast in midmorning of the third day of its indertaking before flying toward Algeria

The crew planned to hold off entering the jet stream to conserve its southern trajectory and avoid crossing over Iraq. Instead the team planned to fly over Saudi Arabia before hitching a ride on the fast jet

stream winds, meant to speed the balloon around the world in a target of 16 days. The control center in Geneva said the team was in high spirits after a spec-tacular flight over the Atlas Mountains under a full moon Tuesday night.

The Swiss balloon lags behind a rival

British one, which took off Feb. 17 from Spain and is over Southeast Asia. It has broken all records for the longest time

War Crimes Sur 1900 rate of the Control of the Cont

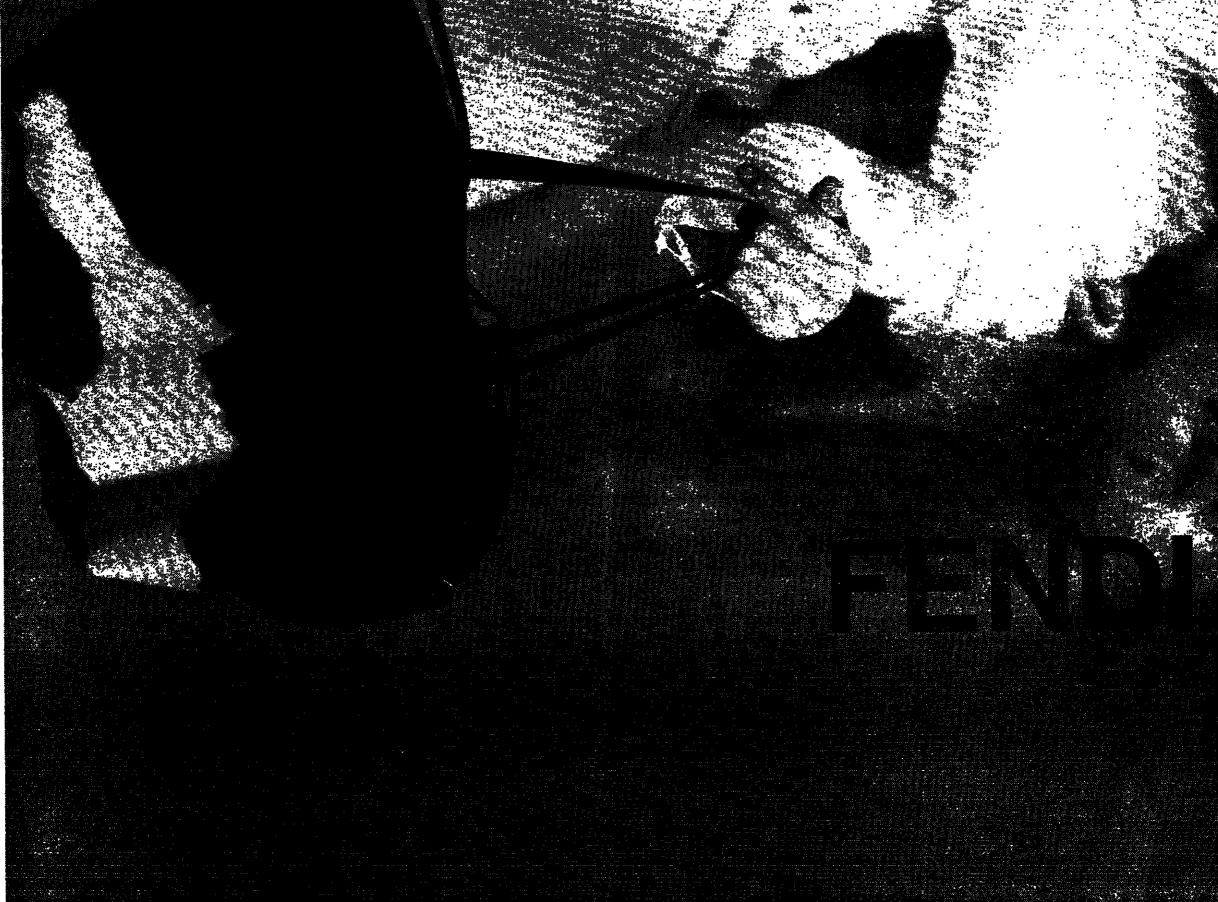
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CribTech

ALT /Commentary

An Internet Quest For Talk Radio

By Fred Barbash ington Post Service

TASHINGTON — Many of us listen to radio at night to fall asleep, or to go back to sleep when we wake up at 3 A.M., or to occupy our minds when neither of the previous two options is possible. For us, the Internet is a potential godsend. It offers talk news, discussion, high-toned material — from around

the world. What it brings is far superior to anything available via conventional broadcast in Washington.

For example, the BBC's "Up All Night" program—
the best English language all-nighter in the world, which I came to love when living in London—is available by broadcast in Britain but is accessible on the BBC Web site with some great software called RealAudio, sold by

RealNetworks, and with technology called streaming. It's only a "potential" because, while sleeping with a radio is perfectly normal, curing up with a PC or a laptop, tethered to a phone line, plugged into the wall, is just plain sick. If you're doing that, seek counseling. I, for one, want no part of it, and neither does my wife.

And, not now in possession of a modern laptop, I dread the ignominy of buying one just to listen to the radio -\$2,500 for a radio.

So recently I set forth on a search for a better way to listen in bed to the amazing array of nonmusical broad-casts, news, discussions, interviews, good clean talk, available on the Web, certain that by now someone had come up with just the right device.

Going with my best instincts, I tried the simplest thing first: I put a tape recorder in front of my computer's speakers and taped the program, trying hard not to listen. I took the tape recorder to bed. This was fine — for an hour - and then the tape ran out.

URELY, I thought, there must be a better way. I had read of the MP3 music player, a Walkman-type device that plays music downloaded from the Internet. I went looking for a similar gizmo for voice radio, and sure enough, the people at RealNetworks directed me to the audible mobile player, sold by Audible.com.

Jonathan Korzen, the media-relations manager there explained how this shirt-pocket-sized device works. It's simple. First you buy it (\$199 or \$99, depending on what else you agree to purchase at Audible.com). Then you download the special software that lets it decipher the service's audio files.

Then you go onto www.audible.com, select from many choices of programming — it might be someone reading The Wall Street Journal or columnists reading their columns or books and specific programs (such as "Fresh Air" with Terri Gross, at \$6.95 a month).

Mr. Korzen says it takes roughly eight or nine minutes to download an hour of talk on a 56K modem (which reases it ill take considerably larger for most records.

means it'll take considerably longer for most people, because few obtain real 56K speed). Then, using the free software, you transfer the file to the mobile player, which takes roughly two minutes. Then you can listen on a headset (there's no speaker), either at home, in your car, while working out or, yes, in bed.

Simple, like the man said. There were only two problems besides all the rigmarole: I don't like paying and, while they offer many interesting programs, the BBC's are not among them. You can listen to the BBC on the Internet, but its security features prevent you from downloading it, saving it and

listening when you want.

So I called the BBC. They don't intend to make programming available for download, said Simon Rahamim, a spokesman for BBC Online. Rather, the BBC is trying to get U.S. broadcasters to carry portions of the BBC World Service, which is now a pain to find on shortwave.

HE BBC is not the only programmer reluctant to allow downloads, which you can store, versus streaming, which you can't, and the RealAudio software people are reluctant to press them. One of the things that's boosted RealAudio, said Philip Rosedale, chief technology officer at RealNetworks, is the certainty among broadcasters that the software cannot be used without their express cooperation, to copy programming as a file. They worry that someone might start distributing

these files by e-mail. This fear among broadcasters is comparable to the concerns of the film industry when VCRs hit the market and to the panic the music industry is now showing as computer users obtain digital recordings from the Web

for nothing or next to nothing.

But it isn't the same. If I download Celine Dion, she's probably losing the \$15 I might pay for her CD. If I download "Up All Night," the BBC loses nothing because I have no other access to it. But it gets something: my loyalty. Indeed, even if British listeners chose to download "Up All Night" rather than listen to it on their radios, the BBC would lose nothing because they don't take advertising on Britain's public network. Very shortsighted! Very inconvenient, too.

Mr. Rosedale of RealNetworks assures me that hardware makers will soon be marketing small devices — perhaps dedicated to live Internet broadcasts, perhaps just glorified cellular phones — that I can take to bed with me.

But, he said, he's "actually a fan of putting the laptop by the bed," so he can look up stuff on the Internet. And I have to admit, after hearing of the possibilities, that I'm on the verge of buckling, too.

All I ask, before I do, is that someone design a laptop "that's soft, a pillow-top rather than a laptop, or one in the

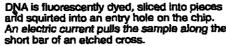
shape of a teddy bear.

I'd feel better about the whole thing.

Fred Barbash, a business editor at The Washington Post, can be e-mailed at barbashf@washpost.com.

Forensic DNA Chip



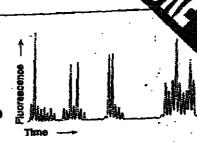




Voltage is switched, pulling a minute portion of the sample down the long bar of the cross. tragments by size.



Laser is shot at the long bar, making the fluorescent pieces of DNA glow as they pass effectively reading the genetic code as it zips



A computer spits out a line graph where peaks show the distinct features of an individual's genetic makeup. By Patterson Clark/The Washington Post

Law Officers Look Forward to Crime 'Labs' on a Chip

By Robin Lloyd

AMBRIDGE, Massachusetts — Dan Ehrlich foresees a day when cops on the beat will have a gadget that could produce a unique genetic profile quickly from DNA in blood, saliva or semen at a crime scene.

Mr. Ehrlich and his colleagues at the Whitehead Institute for Biomedical Research are among several groups across the United States working to perfect a reusable "lab" on a microchip that could do that in two minutes.

The idea is that the chip, which fits easily in the palm of the hand, could be combined with miniature chemistry kits to prepare the sample and a laptop computer to receive, graph and check data against growing state or federal databases to identify - or clear - people who may have left genetic trails

"So far, DNA technology has been the tool of 'offer of proof," "said Lisa Forman, who runs a research branch of the lational Institute of Justice, which started doling out \$5 million in grants this year to speed DNA chip technology. "You have a suspect, and so you screen for something. We'd like to see it be used as an investigative tool: 'We know we have biological evidence at this scene. Who's here?"

The DNA chips are the result of a marriage between molecular biology and the precision engineering technologies that gave rise to Silicon Valley.

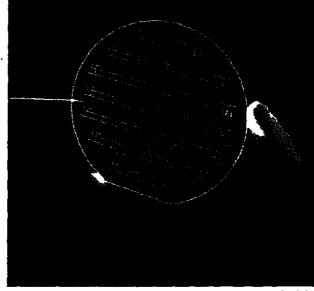
The forensic chips represent just one of dozens of technologies and applications that arose from the insight a few years ago that microchips could serve as ultrafast platforms for genetic, chemical or electrical "tweezers" to pick out tiny, telling pieces of DNA.

Drug companies are trying to use the chips to develop pharmacenticals compatible with patients' genetic idiosyn-crasies. Health-care providers are looking forward to using chips for on-the-spot diagnoses of viruses, bacteria or genetic

Some scientists with the federally funded Human Genome Project hope the chips will speed their effort to crank out the 3 billion chemical components that make up human DNA. And administrators of forensic laboratories in Virginia and Florida are interested in using the chips to speed operations and eliminate backlogs at their traditional laboratories.

A portable lab for forensic applications still is about two To create the devices to be used in the field, researchers have scaled down a highly reliable approach to reading off brief repeating sections of DNA, called short tandem repeats, or STRs, found at landmarks along the serpentine genetic

The sites are found within sequences thought to be "noncoding"— they reveal nothing about a person's hair or eye color, height, weight, predisposition to disease and so forth. But they are well-known to DNA researchers who have found that individuals inherit two "stutter patterns" per landmark



Samples containing DNA would be put on this disk for the sequencing work used to identify individuals.

— say, a four-letter sequence repeated four times from the father and six repeats of the sequence from the mother.

Those patterns can be used to confirm paternity, but a pair of repeats at one landmark is hardly enough to identify someone with certainty. For that, the FBI has set a standard of a combination of 13 specific landmarks or sites along human DNA as statistically sufficient for a "unique" identification

THE WHITEHEAD group's gadget works by mixing a DNA sample with slicing, copying and fluorescent labeling chemicals inserted into an ultraslender channel etched on a plastic microchip. Tiny electrodes attached to the channel's ends pull the molecular fragments, naturally negatively charged, past a laser that makes the pieces glow and detects the sequence of the DNA's chemical "letters" as they pass through.

The results, a count of the number of stutter repeats at the DNA landmarks, could be submitted via a laptop and modem to a central computer. A match would be sought in a state database or the FBI's new centralized database, which has 231,235 genetic profiles of convicted offenders that have been submitted by labs in 42 states.

Chips made by two of Mr. Ehrlich's colleagues, Dieter Schmalzing and Lance Koutny, can get results on 10 DNA

landmarks in two minutes. His researchers expect to expand the results to the FBI's 13 in the next months. The technology is much cheaper and 10 to 100 times as fast as than the DNA "fingerprinting" techniques that were used in the O.J. Simpson murder trial, Mr. Ehrlich said.

Still, the chips would not prevent "chain of custody" mishaps like those that dogged Mr. Simpson's prosecutors.

Buildence still morald be collected by fallible humans before it

Evidence still would be collected by fallible humans before it made it to a briefcase laboratory at the scene. But they would make the path from collection to analysis a lot shorter.

Every U.S. state now has a DNA database law that requires

convicted sex offenders to submit a blood sample for genetic profiling, said Steve Niezgoda, who is with the FBI's Combined DNA Index System, the agency project to gather state, data into a national database. Many states require DNA testing of all convicted felons; the Louisiana legislature recently passed a law that forces testing of those merely arrested and

accused of felony sex offenses.

So far, the FBI project has yielded 583 hits, results that have provided investigators with a lead that otherwise might not have been developed.

IVIL-LIBERTIES watchdogs are alarmed by the creation of DNA darabases, in part because some laboratories keep biological samples indefinitely. What if

that noncoding DNA turns out to be genetically revealing?

"Anything that makes it easier and cheaper to create a DNA databank is dangerous because it will increase the impens to DNA-test." said Barry Steinbardt, associate director of the American Civil Liberties Union. "We don't oppose specific technologies, but what we are concerned about is the creation of the data banks."

The forensic microchips probably will accelerate the pace at which data are added to state and federal databases, end backlogs at labs and help solve more cases. They also raise the specters of forced DNA sampling of all citizens and of genetic discrimination.

The Whitehead researchers are wary of the brave new world that could result from their work.

"The scary aspect of this, from a civil-liberties point of view, is that normal citizens leave this kind of sample around all over the place every day." Mr. Ehrlich said. "Every place you leave a hair behind or perhaps just the rim of your coffee cup becomes 🍂

100 percent accurate of where you were, when."
Richard Mathies, whose laboratory at the University of California at Berkeley is doing competing research, is an adviser to the National Human Genome Research Initiative.
The grouping, part of the National Institutes of Health, has been encouraging the ITS assumement to adopt PNA land been encouraging the U.S. government to adopt DNA legislation to protecting the rights of individuals. But Mr. Mathies also was vocal about the good to be derived from the growing technology.

"The other goal, of course," he said, "is to get the great potential of this technology, so it's doing good for the health of the people in this country.

Adobe's New Layout Software Aims at Challenging Quark

Lawrence M. Fisher

New York Times Service AN FRANCISCO — The publishing world has long been split between integrated systems from companies such as Atex and SII, which typically run on minicomputers or mainframes, and desktop systems such as Quark and PageMaker, which run on Macintoshes, personal computers and PC-based servers.

And on the desktop, the world is largely split between Quark Inc.'s QuarkXPress and Adobe Systems Inc.'s PageMaker. This week. Adobe introduced what is referred to by nearly everyone in the publishing industry as the Quark-killer. Adobe executives do not use that term themselves, but they make no bones about attacking Quark in its core market for high-end

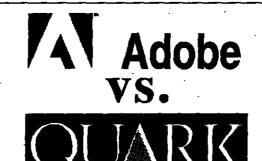
page-layout software. Rather than an update of Adobe's familiar Pagemaker program, InDesign is an entirely new product, the company's regrated systems for larger publishers.

InDesign is scheduled to ship in late spring, with versions for the Macintosh. Windows NT and Windows 98, at an estimated retail price of \$699. Adobe is shipping an updated version of PageMaker, version 6.5 Plus, available March 15, at

partly the product's visibility that prompted an overture from Quark last year. When Adobe's shares hit a four-year low, Quark Inc. floated an informal, and unwelcome, offer to buy so it will look and work in familiar ways. the company.

said. "They saw our stock price as low, so why not try to knock it out with a preemptive offer?"

was the combination of the stock price and existing products, not InDesign, that attracted his attention.



"I had forgotten about InDesign when we did the offer, which doesn't mean plenty of people didn't remind me about first in five years. Adobe is positioning InDesign as a bridge it," he said. "There are a couple of features it has that are between large systems and desktops. It is designed both to stand on its own in smaller installations and to be bundled with for some time. I assume they're going to do a good job, but I don't think we're going to lose market share.

> TWO CHARACTERISTICS distinguish InDesign from previous page-layout programs, one of which will be evident to any user, the other more important to de-

\$499, or \$99 for upgrades from previous versions.

Customers have been testing so-called alpha and beta versions of InDesign for a year. John Warnock, the chairman and chief executive of Adobe, said he had no doubt it was greater manipulation without exiting the program. InDesign's user interface is identical to that of Photoshop and Illustrator,

Jay Vleeschhouwer, a computer-industry analyst with Mer-"They see a freight train coming their way," Mr. Warnock d. "They saw our stock price as low, so why not try to already used Photoshop and Illustrator. "The target market for nock it out with a preemptive offer?"

InDesign is one which Adobe has a lot of familiarity with and But Tim Gill, the founder and chairman of Quark, said it which is already using its other products," he said "Adobe will not be coming to these high-end users as an unknown quantity by any means.'

modular software design, unlike PageMaker and Quark, whose architectures date to the 1980s. The core program occupies just 1.6 megabytes, a small fraction of the computer memory demanded by most desktop applications, and all major func-tions are performed by plug-ins, as on a Web browser.

3.12

THIS MEANS that Adobe can add or upgrade portions of the program easily but, more important, that third parties can easily add value to inDesign by creating

custom plug-ins.

Don Oldham, the president of Digital Technology International, in Springville, Utah, a leading system integrator for the newspaper industry, said: "I can as a developer use the components of InDesign and integrate it very tightly into a true newspaper work-flow system."
"The thing that Adobe has done that Quark doesn't is to

open their development environment to us," he added. Both the plug-in capability and the integration with Photoshop and Illustrator appeal to Jeffrey Fulton, the technology director for Time Inc.'s business information group, which has been testing InDesign for a year. With Quark, you had to do all your

image work before you went to page layout, he said.

"People are just fed up with QuarkXPress, so that they're ready for something really new," he added.

But analysts said Adobe needed developers such as Digital Technology if it was to meet Quark head-on. Mark Walters, editor of "The Seybold Report on Internet Publishing," said: Because Adobe doesn't have all of the pieces yet, they need

to get these other developers to support them."

He added: "The plug-in architecture is critical to attracting the mass of developers that have been following Quark. The product has a strong feature set, but by itself that isn't

Suzanne Snygg, an analyst with Dataquest Inc., said good technology was not enough either. "The biggest issue for Adobe is the matter of standards," she said. "Once you commit to a program like QuarkXPress, companies and people are reluctant to change, just because of the pain factor. Just because a product is best doesn't mean people will change."

TECHNOLOGY INDEX

Technology stock indexes a North America	Tuesday close	Pct. change previous week	Pct. change, year to date
* Pacific Exchange Tech	456.72	7.55	+1.67
S&P Tech Composite	1,174.34	469	+0.53
Europe Morgan Stanley Eurotec	627.62	484	+2.81
Asia Topix Electric Source: Margan Stanley, Bloomber	1,571.28 ng News		+1.86

For technology articles from the past week, see TribTech on the iHT's World Wide Web site at http://www.iht.com. Articles include:

New Engines Can Improve Web Searches, Feb.25 Y2K Bug is Deemed World Crists, Feb. 25

Speed Lane on the Cyber-Hyghway to Be Tested, Feb. 25 Acer to Stop Retail Sales in the U.S., Feb.25 Sony to Propose New Anti-Piracy System, Feb. 25

Philips Pursues VLSI to Broaden Chip Range, Feb. 27-28

 MCI WorldCom to Pursue Major Expansion in Asia, March 2 . Job Cuts at Baan Lead to Big Loss, March 3 Mannesmann: Potential Big Winner in Olivetti Deal, March 3

Alcatel to Buy Network Firm Xylan, March 3

To reach ThibTech editors or to comment on IHT tech coverage, send e-mail to triblech @iht.com.

BERTELSMANN SELLS ON-LINE: Bertelsmann AG opened its electronic-commerce service, BOL, in Britain on Wednesday, putting the German media giant into direct competition with Amazon.com

to sell books in Europe's biggest on-line market.

Bertelsmann says that on-line retailing in Europe, where revenue was just one-eighth of U.S. levels last year, is set to explode. It projects that sales of books. CDs and software will total £175 million (\$283 million) this year, including £110 million in Britain.

The start of the British site, accessible at

www.bol.com, follows the beginning of service in Germany and France last month and will be followed by sites for the Netherlands and Spain.

IS 'BE' TO BE OR ... ?: In January, Be Inc., a tiny software company, briefly came into focus at the Microsoft antitrust trial when a Microsoft executive asserted that Be could soon be a major competitor — no matter that Microsoft controls 90 percent of the market for PC operating systems and Be virtually none.

Be's founder and chairman, Jean-Louis Gassee, is planning to test Microsoft's hypothesis. Be will license its operating system free for a year to any manufacturer willing to install it and make it an option for buyers to select the first time they switch on their computer. Mr. Gassee said he was discussing the idea with at least one BRIEFLY

LONGER LIFE FOR PLAYSTATION: Sony Corp. probably will keep making the original Play-Station even though it introduced a successor to the best-selling video-game console this week, according to an executive at a U.S. company that supplies components for both machines.

"They're both going to be shipping for a long time," said Bruce Entin, vice president of worldwide marketing at LSI Logic Inc., a maker of customized microchips. Sony said it had not set a date for phasing out the four-year-old PlayStation. (Bloomberg)

NEW WAY TO PAY ON THE NET: The Wall Street Journal began selling a "daily edition" on-line this week for \$1.95, becoming a guinea pig for a new transaction network on the World Wide Web.

Never mind that you can pick up a paper copy of the Journal for 75 cents, or that you can subscribe to the Internet edition for a full year for only \$59, about a third of what a Journal print subscription costs.

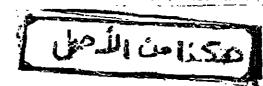
Morningstar Inc. will use the transaction system to

sell individual research reports on mutual funds, and the Industry Standard, a trade magazine, plans to sell data it collects on the Internet economy.

The companies say the new transaction method finally is a way for them to ring up "micropayments," tiny bills that users will run up each time they download (NYT) news or buy another service.



PHONE FOR YOUR PAD Mouse Phone, a handset-in-a-mouse made by Alphaomega Soft of Japan, is due to go on sale in its domestic market next month.



INTERNATIONAL

Gucci's peasant dirndl with leather top and fur coat.

Sassy Gucci Shows Its Fighting Spirit

vertiginous shoes.

By Suzy Menkes

powerful Gucci show — taking show, with classically elegant its sexy, modern coats and little black cocktail image to a sophisticated new dresses embedded among the level — has raised the stakes flashy pieces, seemed more in the bidding war for the luxury goods company.

If designer Tom Ford is this ture. Ford is ready for his good, shouldn't Bernard close-up—if Gucci falls into Arnault be offering more for a French hands. hostile takeover of the flashand-dash brand by LVMH nouvelle couture has been the Moet Hennessy Louis Vuit-

And if Ford and Domenico De Sole, Gucci's president, were to be driven out by the boardroom battle, wouldn't

MILAN FASHION

Gucci shareholders be worse served than by an amicable settlement?

"I can't imagine working signed on autopilot: the without Domenico — we are a partnership," an emotional Ford said backstage, after taking the bravos for his show four-pocket military jacket. a partnership," an emotional and receiving raves from

store executives.

Sitting with Donatella and Santo Versace in an apparent show of Imlian collidates. show of Italian solidarity, De Sole also praised Ford. De Sole, an Italian-born, ality to know which way to turn. Ferragamo had the Is-

said of his maneuver to create 'ghost'' shares for Gucci employees in order to help ward off the corporate invader: "I've done the right thing and I'm proud of it - and I'd redo it any time."
If Amoult wants the com-

pany, he should pay the prop-et price for it," he added.

er price for it." he added strange marriages, such as The wonder is how, with all the financial drama, Ford alpaca knitwear as long could have concentrated on shrouds of dresses, its leather creating a collection - let alone such a good one.

After a couple of seasons coasting, he returned to the essence of Gucci: the skin strong design team to design trade. Leather came out every which way: as a body-hugging jacket; as ridged buttock-molding pants; as a mice? sassy ruched skirt, as a breast. The sassy ruched skirt as a breast-plate worn with a velvet skirt under a red fox coat — one of many furs in the sensual show — one of the state of coats in reversible leather; in the classy pale colors like but-terscotch and putty, with

Ford's take on fashion is always sexy but ironic. And what could be more so than sparkles. What was quintesthe prim and innocent peasant sentially Ferragamo? Long blouse in black leather or cobweb-fine knit, cupping the the house's nature-loving silk bosom? The designer's favor- prints. ite hippies had morphed into ultra-sophisticated peasants, sportswear, whether it is sleeves gathered at the wrist, coats bound with leather or dressed up as formal wear. thong belts and skirts as jewel-rich velvet dirodls, low-

In the more familiar disco a snowboarding princess. She's the one who dares to slung from the hips. Ford's favorite bell-bottoms, wear hazard-warning colors as skin-tight lace pants throb-bing with desire—some even bing with desire—some even with mink tails dangling at the patterned socks with her with mink taus danguing at an ankles. Over the top? That's strappy high-heel sandals.

The Byblos mix of easy the point and the joke - and the reason that rock chicks will be fighting over them.

But to the steamy story, and leather, and lean, skinny Ford had added new ele-strapless dresses looked modments: refinement and roments: refinement and roments. Out went all the mance. Out went all the mance. sporty utility elements of last touches that were reduced season. And even Hollywood season to a single flap on season. And even from graceful a classic trench coat, or a zipflash moved into graceful a classic uench coal, or a zipmode as pants, skirts and high-heel boots were gently ruched like Odeon movie ruched like Odeon movie the coal, or a zipper at the ankle of nylon pants. How these clothes distinguish themselves as Ryblos is the essential matter. theater curtains. Embellishment included velvet roses, lem.

By Raymond Bonner

ZAGREB, Croatia — Serbia and the Yugoslav president, Slobodan Milosevic, are generally considered the pariahs in the Balkans, but according to an international report, the verdict on Croatia and its president, Franjo Tudjman, is equally harsh.

New York Times Service

"There has been no progress in improving ic" but "in reality authoritarian." respect for human rights, the rights of minorities and the rule of law" in Croatia, the lomais said, the European Union and the Organization for Security and Cooperation in Europe said in the recent report, which has not been made public.

Beyond that summary, the report, which is cumlocution, is filled with damning details about repression of the media by the Croatian government, about its lack of cooperation with the international war-crimes tribunal in The Hague, and above all about its harsh treatment of ethnic Serbs.

their homes here during the war have been allowed to return. Most fled when the Croatian Army carried out its own "ethnic cleansing" during military operations against Serbian-controlled areas in August 1995.

"It is harsh, but it is not an exaggeration," Andreas Stadler, the deputy Austrian ambassador here, said about the report, which Madeleine Albright last August. In her meet- cars and expensive clothes, the middle class hands of Serbian separatists.

ber countries of the organization. The organization, which includes the United States. is charged with overseeing the development of democracy in former Communist countries.

Mr. Tudjman has been elected twice, most recently in 1997, but the State Department, in a human-rights report made public last week. described Croatia as "nominally democrat-

United States, which is the most powerful outside influence here, must temper their criticism of Mr. Tudjman, in part for strategic reasons: His cooperation is vital to the astonishing for its lack of diplomatic cir- NATO-led peacekeeping operations in neighboring Bosnia. Currently, for example. Apache helicopters for use in Bosnia are being unloaded from an American ship and assembled on the Croatian island of Krk.

There are also concerns that criticizing the country too harshly will give ammunition to Only a small percentage of the approximately 300,000 ethnic Serbs forced to flee tian Democratic Union, who are in a fight the hard-liners in the ruling party, the Croawith moderates over who will succeed Mr. Tudiman, 76, as party leader. He has incurable stomach cancer, and his condition has worsened in the past two weeks, dip-

lomats here said Tuesday.

was delivered in late January to the 54 member countries of the organization. The orbit livered a tough message about the need for the lates \$1,000 a month just to buy the livered a tough message about the need for Croatia to become more democratic, to comof the Serbian refugees — all matters on which President Bill Clinton's administration and Mr. Tudiman have fundamentally different views.

Croatia Harshly Criticized in European Rights Report

But after returning to Washington, Mrs. Albright sent Mr. Tudiman a letter that so pleased the Croatian leader that it was promptly leaked. A newspaper in the coastal city of Split described it as having the "taste of apology

Mrs. Albright wrote that while she was aware that her visit had been difficult, "I want to see you as a part of Europe where you

Becoming part of Europe is a primary goal for Mr. Tudyman, who bristles when his country is referred to as Balkan, but it is a goal that will not become a reality unless Croatia becomes far more democratic, Euro-

pean diplomats have told him repeatedly. The report by the European security organization did not address the economic situation of the country, but that too is, in a word, miserable. While a few at the top political allies of Mr. Tudjman and members The delicate diplomatic quandary was re-flected in the visit here by Secretary of State fabulous wealth that they flaunt with flashy regained control, in 1995, of territories in the

minimum amount of food for a family of ply with the Dayton accords that ended the four, said a woman in her mid-30s, but the righting in Bosnia and to allow for the return average monthly wage is about \$400. Milk costs the equivalent of about 60 cents a liter in Slovenia, while here it is more than \$2, a Croatian woman said this week.

The cause of the economic troubles is quite simple: bad government or, as one diplomat put it, "corruption, nepotism and mismanagement.

On the political score, the European group said that under pressure from the United States and the European Union, the Croatian government had made commitments to freedom of the press.

But Croatian Television, the main source of news for as many as 90 percent of Croa-

tians, 'remains subject to political control by the ruling party,' the report said. On the international war-crimes tribunal. the report said the Croatian government had embarked on a campaign to "encourage distrust and hostility" toward it among the Croatian populace.

Mr. Tudjman, who diplomats say is convinced he will be indicted by the tribunal, has declared that the tribunal has no jurisdiction over anything that happened during the op-

THE WORLD'S NEWS LEADER

sleeves and dangling bead embroidery smothering the In a strange way, the long serious than usual about the clothes. And very haute cou-Since imaginatively cut strength of Josephus Melchior Thirnister's Paris shows, much was expected of his debut at Genny — a house whose designers use the revolving door. But the only hint of the Dutch designer's talent was in the trademark elbow-length gloves and an opening of fresh cotton shirt with long black leather skirt. The rest might have been de-Then a sea of bias-cut evening It is tough for houses without a strong fashion personraeli-American singer Noa belting out her big numbers as a parade of tasteful, luxurious, but surprisingly bulky clothes walked the runway. Sportswear was the theme, and Yohji Yamamoto was the big influence. That resulted in some coats as Victorian floorscrapers, and a duvet coat wrapped like a kimono. And On Cable and Satellite This Friday Q&A with Riz Khan The best of the show was in Viewers from around the world are able to question newsmakers by phone, fax or e-mail in the world's first interactive news show. Perspectives And never say die for This Friday's in-depth dressed down for fast action documentary explores the At Byblos, designer John life of General Augusto Bartlett's funky program notes described the fast life of Pinochet, including analysis of his past and the accusations he is now facing. 23.00 News Update/ World Business Today pieces like slouchy pants, hooded tops combining knit 24 hours of world business CHIN NEWS PET TIVES: "THE REAL SENIERAL PINIOCHEL" news distilled into PRIDAY STIT BOSSEH 22 US-CET, SATURDAY OTH MERCH 15.06 CET AND 30 minutes. SUNDAY 7TH MARCH 20.00 CET A one-hour weight jith the life and legacy of General Augusto Pinochet. A man Who to some was a brutal diciser guilty of committing human rights crimes but to others was thile's savious rescuing them from poverty and communism. SUNDAY THE BURICH 20,00 CET

EDITORIALS/OPINION

Iraq Policy Questions

daily air attacks are merely a response

to Iraqi efforts to shoot down American and British planes, Iraq has chal-

lenged the flights, but the expanding

American rules of engagement give

pilots greater latitude to strike an as-

sortment of air defense, communica-tions and other military targets.

The White House also needs to an-

swer reports that American spies ma-

nipulated the United Nations weapons

inspection program in Iraq. The latest account was provided on Tuesday by

The Washington Post, which reported

that Americans had secretly wired a

UN microwave transmission system to

allow Washington to monitor a wide

range of secret Iraqi military commu-

nications without the knowledge of UN officials. Washington's desire to

collect information on Iraq's military

is understandable, but data should not

be gathered in a way that compromises

the United Nations' independence.

That will only make it harder to carry

out disarmament under international authority in the future, and will hinder

American efforts to counter the spread

But the piggybacking operation was actually trained in the first instance not

at Iraq's weapons of mass destruction.

It was intended to penetrate certain

and, finally, offered benefits that al-most certainly would have been lesser

even if they had been fully achieved.

ploitation of the United Nations. The

outcome adds to the difficulties facing

the United States and others in design-

ing another arms-monitoring scheme

to replace the one lost in December; no

workable substitute for UN inspec-

tions, imperfect as they are, has yet

been found. The latest disclosures also

are bound to sharpen the question of whether other UN agencies have been

penetrated quietly by various national

intelligence services. The State De-

partment spokesman's assurance that

Unscom "never has been seen as a

What happened is not a moral crime,

precedent" has a wispy quality to it.

but it is a blunder, bestowing further

embarrassment on a line of American

policy already afflicted with a bad case

international organization" as defined

by a new global convention on com-

bating bribery in business transactions.

This agreement calls for the United States and other signatories to expand

anti-bribery laws to cover officers and

agents of public international groups.

designate the IOC as a public inter-

Although the commission lacked

subpoena power, it estimated that Salt

Lake City boosters had soent from \$4

other nations to do the same.

There is more to this shabby ex-

of prohibited weapons worldwide.

— THE NEW YORK TIMES.

End the Mystery

Without ever saying as much, the White House seems to have shifted its military strategy in Iraq to advance the goal of toppling Saddam Hussein. The change has become clear in recent days as Washington escalated air strikes. The bombing raids appear designed to punish the Iraqi military in hopes that disgruntled officers will lead a rebellion against Saddam rather than suffer further losses of men and equipment. If this is the new American strategy, President Bill Clinton or Defense Secretary William Cohen should let the American people and Congress know. The air raids are no secret in Iraq, and the potential threat to Saddam is no doubt well understood in Baghdad. Many Americans might support an effort to unsear Saddam. But the application of American force overseas should never be a matter of mystery and speculation at home or exempt from congressional consultation. One of these days an American or British pilot may be captured or killed, and the reasons for placing him in danger ought to

be explained before that day arrives.

It no longer seems plausible to sug-

Under UN Cover

It turns out that American intelligence was apparently not content just to help international inspectors look openly and legally for Iraq's special weapons. The United States also used UN cover to conduct a second, secret, Americans-only operation spying on Iraqi military communications. All this took place while the United States was denying Iraqi charges that it was exploiting the agreed-upon UN inspections for purposes of American espionage. The toll of the two operations, which ended when Iraq cut off inspections after the American and British bombing of last December, only

now is being assessed. You could argue that prying out the secrets of Iraq's suspected nuclear, chemical and biological weapons is so urgent a goal as to justify almost any excess in its pursuit. That goal would justify the heavy political costs that might follow an inadvertent disclosure. Not to speak of damage done to the battered but still-standing UN obligation, which the American agents signed, not to take instructions from or to report to their own government.

-THE WASHINGTON POST. **Good Olympic Advice**

of the staggers.

The ethics commission empaneled terrent to corruption, the commission by the U.S. Olympic Committee has urged the IOC to become a "public provided an excellent template for reforming the International Olympic Committee and eliminating its graftfriendly culture. The recommendations, which the commission chairman, former Senator George Mitchell, released on Monday, champion structural changes that can help inoculate the IOC, national Olympic committees and competing cities against the kind of vote-buying that helped Salt Lake City boosters win the 2002 Winter Games.

The Mitchell panel's proposals include a ban on all gifts but those of nominal value to members from candidate cities; selection of a majority of IOC members by national Olympic committees and other qualified groups; term limits and strict conflictof-interest policies, and annual inde-pendent audits of IOC books that would be made public. As a private entity under Swiss law,

the IOC is currently accountable to no one. But in a potentially strong de-

million to \$7 million since 1989 on IOC members and relatives. The panel also raised a thorny question. Beyond two executives and several trustees who have resigned, were any other trustees of the Salt Lake committees aware of the improprieties? Only the investigations being conducted by the De-partment of Justice and Utah's attorney general can provide the answer.

Other Comment

Serious Trouble in Israel

American Jews and Israel are moving away from one another, and the consequences over time could be disastrous for both. The link between Israel and Amer-

ican lewry is vital to both sides and cannot be taken for granted. If it begins to fray, it could have catastrophic consequences. With Jewish religious issues once again before the Knesset and likely to be the currency of aggressive' deal-making for politicians seeking election in May, the risks are real.

Israel's religious parties will not have a sudden epiphany and disband in favor of study and teaching. Consequently, the Israeli majority needs finally to find

the courage to say "enough already" to religious coercion. This still relatively silent majority must overcome its own petty divisions and, while there is still time, define an alternative vision for Israel that maintains democratic values and ensures an enlightened Jewish character of the state.

—THE NEW YORK TIMES.

The religious minority's imposition of its will is unquestionably doing real damage. For American Jews, it may mean reductions in charitable giving or less willingness to engage politically on Israel's behalf. For Israelis, it is reflected in a growing cultural divide.

- David A. Harris, national executive director of the American Jewish Committee, commenting in the Los Angeles Times.

Herald Tribune

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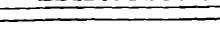
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Inviting Inflation: A Throw of the Dice in Japan

WASHINGTON — A year ago, the idea that a major industrial power would deliberately inject inflation into its economy would have been greeted with horror. It would have been the financial world's equivalent of a president, or a princess, deciding to take a little heroin and letting it be known.

But when Japan's leaders began flooding the country with money a few weeks ago, they did so with the silent acquiescence of the United States and other trading partners, even though these may eventually pay an economic and a political price for this shift of strategy in Tokyo.

The silence that has greeted Japan's wink-and-nudge confirmation of a policy decision to increase money sup-ply and to maneuver its already feeble interest rates even lower reflects Japan's desperation and the international hope that this last throw of the dice will halt Japan's long downward spiral. Prime Minister Keizo Obuchi's Finance Ministry chose inflation only after trying everything else and failing. Japan's stealthy decision to "mon-' its gigantic bank debt problem also illustrates how unpredictable the

world economy has become in the past

By Jim Hoagland

year, as orthodoxy after orthodoxy has wilted under the high-speed pressures of globalization.

Even the most senior wizards are at a loss today to explain the implications of the U.S. economy growing at 6 percent this last quarter while Asian and European financial bases stagnate or contract. In ways not seen since the Great Depression, the world's financial elite is losing confidence in its prescriptive and analytical hold on global affairs. The public's confidence is not

likely to be far behind. There are two great mystifying disparities in today's global economy. Nothing seems to stop the American consumer from spending in good times; last autumn's Wall Street slide was overcome by a new burst of shopping and debt accumulation. And nothing seems to start the Japanese consumer spending in bad times.

Massive public works projects, gift vouchers provided by the government, and other stimulus measures have failed to revive Japan's shrinking economy during the past five years.

Culture still counts. Japanese house-holds increase their already phenomenal national savings rate in times of uncertainty. The Finance Ministry seems to have concluded that only a threat that inflation will drive prices higher tomorrow can get Japanese consumers into the shops and buying today. A modest amount of inflation will inbricate the

wheels of growth, it is hoped.

Three huge questions remain, even if printing more yen and pumping money into the banks succeed in spuring Jap-anese spending. Can Japan's financial wizards control inflation at the probable target of 2 to 3 percent? Can inflation be contained in one major economy in the global era? And what will be the impact on trade balances, and on coming elections, of Japan's new looser money policy?

Currency still counts. An inevitable consequence of increasing the yen sup-ply is already showing up. A dollar today buys more yen (about 120 as I write this, against 113 a few weeks ago) and is almost certain to buy even more as monetary policy is eased in Japan.

This makes Japanese goods cheaper in the United States, which helps hold U.S. inflation in check, as President

Bill Clinton and his financial wizards have begun to emphasize defensively to the public. But it also means that last year's near record \$65 billion U.S. trade deficit with Japan is almost certain to rise to a new record this year.

That will occur in a year when the \$15 billion U.S. trade deficit with China that Mr. Clinton inherited in 1993 may reach \$70 billion, Commerce Secretary William Daley warned recently.

Meanwhile, the euro has steadily weakened against the dollar since its introduction on Jan. 1 because Germany's coalition government has not halted the deterioration in Europe's

economic powerhouse.

The strength of the U.S. economy ives Washington room to take the high road for now: to observe Japan's desperate pursuit of a little inflation with a benevolent silence and a quiet prayer for the strategy to work, as the first vital step to get consumers abroad buying again to ward off global depression. But time grows short. Politically, the bill for this restraint may come due for

Al Gore in 2000 if these trends resurrect protectionism and trade as vibrant campaign issues.

Turkey and Iran Matter, So the West Ought to Help Out *

PARIS — The future of the Near and Middle East will be influenced more by Iran and Turkey than by anything done by the "rogue states" and private-enterprise terrorists

Iraqi communications that involved a different calculus of costs and risks who preoccupy Washington. Saddam Hussein is isolated. Osama bin Laden, in his Afghan cave, is a political irrelevance, despite the publicity that Washingion lavishes on him. Israel's dealings with the Palestinian Authority, Lebanon and Syria are serious matters, but nothing is going to happen until the Israeli elections are over.

The undeclared war that Washington now wages against Iraq serves no constructive political purpose. It kills a few fragis from the air every day or two, while putting American and British pilots in profitless jeopardy. These attacks continue because Washington can't imagine how to explain stopping them. On other fronts, it finances exiled opposition movements and factions of the divided Kurds, all of them defeated by Saddam

Hussein in the past. Events in Iran and Turkey, are significant because these are the two most important states in their region. Both have recently experienced major and

By William Pfaff

Turkey's capture of the Kurdish leader Abdullah Ocalan unexpectedly opened pro-spects for an end to the civil struggle that has poisoned Turkish democracy, political stabil-ity and international standing. A serious effort at national reconciliation is now under way.

Prime Minister Bulent Ecevit has announced major development plans for the southeastern provinces, where war against the guerrillas of Mr. Ocalan's Turkish Workers Party has gone on for 15 years, at heavy cost to the civilian population. The plan, as announced, includes the return and resettle-

ment of hundreds of thousands of people forced out of their villages, as well as educational and health programs. All this, of course, is proposal, not achievement, and has an unresolved international dimension, since the Kurds are surrogates in a larger struggle of Iranian, Iraqi, Syrian and Turkish national interests.

However, it is a significant development. Iran has held its first municipal elections since the Is-, lamic revolution of 1979. They have produced an unexpectedly many at American universities.

broad victory for reformist forces associated with Presi-dent Mohammed Khatami. There was a very large turnout (25 million), almost as large as in the last presidential election. These results are taken as an indication of what may come in national elections in 2000.

This popular mandate confirms the recent victory of reformers inside the government, who forced the resignation of the minister in charge of the security service and caused the arrest of 10 officers suspected of murdering several prominent intellectuals last November and December in an effort to intimidate the reform movement. Again, these are inconclusive

but important developments. In the medium term, it is reasonable to think that Iran will break out of its cultural isolation from the modern world, which in contemporary circumstances is scarcely sustainable. Iran underwent forced modemization under the shah in the 1960s and '70s. Under the religious rule of Ayatollah Rubollah Khomeini and successors,

has been through a war with hraq that was proportionately more destructive than World War I. Iran now has experienced a decade of peace, and its elites are looking outward again. Inside Iraq, Shiite Muslims (co-religionists of the Iranians) are once again in conflict with Saddam Hussein's govern-ment. While loyal to Iraq during the war with Iran, they have since been the main internal opponents to Saddam's Sunnite

The shah's programs and his

overnment's intimate alliance

with the United States provoked

cultural and religious reaction

and a nationalist upheaval. But that was two decades ago. Since

then, Iran has successfully de-

fied the United States, using the

means available to weak coun-

tries confronting strong ones. It

and sectarian dictatorship. The Baghdad government is generally thought responsible for the murder in late February of the spiritual leader of Iraq's Shiites, who had become dangerously outspoken in his criticisms of the regime. The result was anti-government rioting on a scale not experienced since the immediate aftermath of the Gulf War, when President George Bush called on the Iragi opposition to rise against

conditions call for the utmost

restraint from outsiders. While

assisting the process of demo-

cratization, Washington should

scrapulously avoid intervening,

or seeming to intervene, on be-

A more difficult dilemma in-

Saddam (and, when they did, walked away from them). Turkey and Iran are already the major powers of the Eastern Mediterranean. Turkey is a democracy, an imperfect one. Iran is enlarging limited political freedoms and establishing the institutions of civil society under the overall control of a

clerical establishment that itself

is divided into liberal and con-

servative camps. Both countries have resources - water and minerals in Turkey, with relatively developed industry, and oil in Iran. Both access the oil-rich Cancasus, and are politically active in ex-Soviet Central Asia.

The European Union has handled its relations with Turkey so maladroitly as to have seriously alienated the Turks, who have been anxious, since creation of the modern Turkish state, to reclaim a European identity. The United States is locked in a fruitless and unsuccessful boycott of Iran, meant mainly to punish the Iranians for having expelled and humiliated Americans 20 years ago. None of this makes much sense, when you think about the year 2000 and beyond.

Los Angeles Times Syndicate.

Toward Democratic Indonesia and a Viable East Timor

young people have continued to

be sent abroad to study, a great

All President Bill Clinton need do is AKARTA - On her visit to Indonesia this Thursday and national organization and persuade Friday, Secretary of State Madeleine Albright has the opportunity to move forward on democratization of Indonesia and East Timor's future. But there are dangers involved. If Americans want to help democratize Indonesia, they will have to avoid crossing the line between assistance and in-

constructive internal changes.

terference. A variety of official, semiofficial and private American organizations are in Indonesia By Donald K. Emmerson

voters in advance of the national parliamentary election scheduled for June 7. More Americans, probably including former U.S. President Jimmy Carter, will be coming to monitor the balloting. It will not take much for rumors to spread that the United States is backing or undermining this or that party or candidate. Among the many parties

contesting the elections, none is likely to win an absolute ma-

politicians to form and break party coalitions in the run-un to the scheduled naming of the next president and vice president by a majority of the People's Consultative Assembly in November. The temptation to accuse foreigners of trying to influence the outcome will be hard for some Indonesians to resist.

Continuing violence, espe-

cially between Muslim and Christian Indonesians, further already, helping educate and jority. In prospect instead are heightens the risk. Rife as they train administrators, parties and months of maneuvering by are with potential for conspiracy

volving trade-offs between assistance and intervention has been created by recent developments on the future of East Timor, invaded and annexed by Jakarta in the mid-1970s. President B. J. Habibie wants to settle East Timor's status as

half of any contender.

quickly as possible. He has made a take-it-or-leave-it offer: East Timor can have wideranging autonomy within Indonesia, or he will ask the consultative assembly to revoke the territory's provincial status. That would probably lead to what many East Timorese have long sought, independence.

But how will East Timorese wishes be made known? International intervention may be needed to minimize violence, assure freedom of choice and facilitate a successful transition to viable independence, if that is the road to be taken. But Washington should not offer, in effect, to take East Timor off Jakarta's hands, alleviating Indonesia of any obligation to tional Herald Tribune.

theorizing, Indonesian political help this complex and vulnerable process succeed. It would be unwise for Washington to play a role in East Timor without adequate preparation and a reasonable chance of success.

> Diplomats in several capitals have been talking about a "contact group" on East Timor and possible foreign military 'presence'' there involving the United Nations. Such plans make sense if they can facilitate a successful transition to what most observers assume will be independence.

For Mrs. Albright in Jakarta, the priority should be on assuring a credible Indonesian commitment to help the East Timorese choose their future, whatever that future may be.

For his part, Mr. Habibie should have no illusions that Washington is eager to shoulder the burden of sponsoring the 1. independence of East Timor, let alone of keeping the new country alive against Indonesian hostility or indifference.

The writer, a professor at the University of Wisconsin in Madison and editor of "Indonesia Beyond Suharto." to be published soon, contributed this comment to the Interna-

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1899: Fit to Marry?

PARIS - The Senate of the State of North Dakota has enacted a law providing for the appointment of a board of physicians to examine the physical and mental condition of applicants for marriage licenses, and to decide upon their fitness to enter into marriage relations. Licenses are to be refused to any applicants who suffer from ailments which are likely to manifest themselves in their progeny, especially dipsomania, insanity and tuberculosis.

Indonesia will benefit as a 1924: Caliphate Ban

ANGORA — The members of the National Assembly belong-ing to the Kemalist majority have taken a vote, abolishing the Caliphate. The Caliph and his relatives will leave Constantinople for Egypt. The Bill bears the signatures of fifty Deputies. It provides that the

Caliph be deported and the Caliphate abolished; that all members of the imperial family be deprived in perpetuity of the right to reside in Tarkey; that they lose the status of Turkish citizens; that a combined indemnity will be allotted to them.

1949: Wet Kansas

TOPEKA - Kansans will probably be able to drink liquor legally in their homes and private clubs this week end for the first time in sixty-eight years. A bill legalizing the sale, possession and consumption of liquor need only be signed by Governor Frank Carlson. It was passed by both the Senate and the House. Actually Kansas has not been as dry at it might have been during prohibition. Bootlegging was so common that it led to the familiar comment, "Kansans vote dry but drink wet." Only Oklahoma and Mississippi retain state-wide prohibition.



Give East Timor's People Their Chance

YDNEY — There is a his-Itoric opportunity to end the East Timor conflict, which has cost the lives of 200,000 East Timorese since Indonesia invaded and occupied the former Portuguese colony in 1975.

The government of President B. J. Habibie has said it is ready to end its rule if an autonomy offer is rejected. But factions of the Indonesian army, including elements lovai to former President Subarto, are determined to stay on, or wreck East Timor in revenge before they leave.

Instead of reducing the number of troops in the territory as urged by the UN Secretary-General, the United States, the European Union and Australia, Indonesia has increased its soldiers to well over 20,000.

A pattern of army-instigated religious and ethnic violence is emerging not only in East Timor but in many parts of Indonesia. Gangs of unemployed youths, criminals and drug addicts as well as Indonesian Muslim extremists, are armed by the authorities. Often directly supported by soldiers, they have launched murderous at-tacks against civilians.

The East Timorese resistance has exercised utmost restraint since Mr. Suharto was forced to resign in May by the rising tide of popular protest against his corrupt and repressive rule. But our patience is running out. We keep our options open as to our next course of action if the situation continues to deteriorate.

Indonesia should leave by

January. The United Nations

should take over administration

By José Ramos-Horta

hood. We will hold a referendum on self-determination at the end of the agreed transition period. Indonesian troops should leave as quickly as possible. Security of the territory should be placed in UN hands.

We have proposed an end to all armed activities in East Timor and called for a permanent UN presence to monitor the situation. A UN peacekeeping mission is a matter of ut-

most urgency.
The East Timorese resistance fighters should form the core of a new police force trained by countries like Australia and New Zealand. East Timorese serving in the Indonesian army and police could also be part of

this new police force. The small group of "pro-Indonesia" elements should not fear an independent East Timor. They will come to realize that in an independent nation they will be real citizens, not lackeys of another country.

There have been many patronizing comments about East Timor's supposed inability to govern itself. We have valuable natural resources, including arabica coffee, sandalwood, marble, fisheries, offshore oil and natural gas. But many of these resources became monopolies owned by the Suharto family and the generals who invaded East Timor. As a result, tens of millions of dollars have been

looted from our people. We are conscious of the difficulties and challenges facing an independent East Timor. of the territory for up to five an independent East Timor. comment to the years, and prepare it for state- They will not only be of eco- Herald Tribune.

nomic and security nature. When Jakarta finally quits, it will leave behind a society profoundly traumatized by 23 years of savage colonization. It will also leave a culture of violence and corruption that was alien to East Timorese tradi-

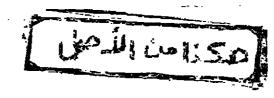
tional society before 1975. Portugal has said it is prepared to cover the entire budget of East Timor during the first years of independence. The Portuguese governor in Macau is ready to lead a business delegation from the enclave, China and Hong Kong to look into investment. Businesses from Singapore and Taiwan have expressed interest in economic opportunities. East Timor will benefit from

the Lomé Convention, which will give it tariff-free access to the huge European Union mar-ket. It could develop into a free trade area, with tourism as a major source of revenue. The United States, Canada,

Australia, New Zealand and the Nordic countries will be among the main donors and investors. Iceland has offered to assist East Timor in organizing its fishing industry. Two major Portuguese firms with interests in telecommunications and petroleum have indicated strong interest in investing more than \$100 million.

supplier of goods to an inde-pendent East Timor — if it has the sense to look to the future.

The writer, vice president of the National Council of Ti-morese Resistance and a Nobel Peace laureate, contributed this comment to the International



حكذامن الأحول

OPINION/LETTERS

The Kurds Are Far From an Ethnic Monolith PKK and other European Kurds seen demonstrating over Mr.

Day Market State of the State o cently treated to the nearly nightly spectacle of Kurds attacking embassies and consulates throughout Europe in a passionate if confused display of solidarity and protest over the capture of the Kurdish leader Abdullah Ocalan.

First, Kurds occupied Greek and Kenyan facilities over the two countries' reported involvement in Mr. Ocalan's arrest by Turkish commandos in Nairobi on Feb. 15. After those assaults died down, diaspora Kurds attacked the Israeli consulate in Berlin, because of Israel's putative complicity in Mr. Ocalan's nabbing. Then, almost as an afterthought,

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Kurds marched on overseas Turkish government missions and commercial offices, even coffee shops and restaurants owned or

frequented by Turks in Europe.
Their message was unmistakable: Release the Kurdish leader or face the wrath of the united Kurdish nation. Mr. Ocalan was formally arrested and charged with treason. Turkish prosecutors are likely to seek the death penalty.

ages or nevolutions, and absent in Morkers

ages or nevolutions, and absent in most commentary, were the voices of the millions of Turkish citizens of the millions of Turkish heritage who regard the of Kurdish heritage who regard the chairman of the Kurdish Workers Party, or PKK, less as their leader than as a Stalinist villain who hijacked Kurdishness in the eyes of the world. Many of these Turkish Kurds express a hatred of Apo and the PKK that equals or even exceeds that of the Turks.

In the Military Martyrs' Cemetery in the Turkish capital, year fight with the PKK, a conflict that has claimed some 30,000 Turkish citizens, although the vast majority have been Kunds.
The day after Mr. Ocalan's cap-

ture, the cemetery was filled with families of the fallen, come to give voice to their loss and to silently thank the Turkish government for, they hoped, bringing the long nightmare to an end, or at least the beginning of the end.
"We thank the state for having

kept its word by bringing the baby-killing monster to face justice," said a woman named Sadet Isprili from Turkey's rugged northeast. "But nothing they can do will bring back the light in our lives." When asked what she thought

Mr. Ocalan's penalty should be, her response was that of many Turkish mothers who have lost their sons.

"He deserves execution, but that is too good for him," she said. The best thing would be for the state to deliver him into the hands of families who have been ruined by his terror, so we might rip him apart with our fingers."

But such sentiments are misleading. When asked if it would be possible to forgive and forget and live once again as neighbors with Turkey's many Kurds, Mrs. Isprili snapped, "What are you talking about? This war is not between Turks and Kurds, this is between our country and the PKK!"

Others at the cemetery expressed similar views. "Please, please!" pleaded a grieving fa-

for example, lie 200 of the almost ther, who then ticked off a list of 5,000 Turkish soldiers who have the different ethnicities that make role in the cover-up of the Caubeen killed in action during the 15-up of modern Turkey. "Tell the casus Kinds' disaster at the hands world that we are brothers! Turk, Kurd, Laz, Georgian, Circassian - all of us who live here! The PKK must not be allowed to get away with the its cheap propa-ganda and fifthy lies!"

Yet almost without exception, the Western media portrayed the Kurds as a uniform bloc of people Ocalan in his hour of need, thankful for his courageous resistance against systematic repression by an oppressive colonial power, Turkey.

Kurds were not allowed to speak their own language or even identify themselves as Kurds, lest they be thrown into ghastly, "Midnight Express"-style prisons, claimed a fellow from a "Kurdish think tank" in the United States.

The Kurds had rebelled against the Turks, reminded another expert in Germany. By invoking self-determination, Kurds were attempting to establish their own, ethnically defined country; the one they had been cheated out of by European powers at the end of World War I and the collapse of the Ottoman Turkish state.

Still, where were the other Kurds, especially those who can speak, read and write in their own tongue? Where, for example, were the Pesh Merga fighters, gallant in their baggy pants and commerbund belts, associated with the Northern Iraqi Kurdish leaders Massoud Barzani and Jalal Talabani? They were fighting alongside the Turks in those areas of Northern Iraq outside of their control, in an effort to evict the PKK from the region.

The Kurds of Syria and Iran were also nowhere to be seen or heard, perhaps because both groups have been plowed, however imperfectly, into the national ideology of the countries where they live.

And where were the voices of those Kurds who ended up in the Cancasus region of the former Soviet Union? The vast majority of them are scattered in dismal refugee camps among the nearly I million "internal displaced people" in the post-Soviet republic of Azerbaijan. They were ethnically cleansed from their native homes by Armenia during the war over Nagorno-Karabakh.

known Kurdish tragedy is that the a Republican from Texas.

seen demonstrating over Mr. Ocalan's arrest played an active of the Armenians, the price, it would seem, for continued Armenian support in Europe, and the United States, for the anti-Turkish, Kurdish cause.

While hardly perfect, official Turkey's means of dealing with its domestic Kurds — including about one-third of its Parliament who were solidly behind Mr. and three former presidents, among them the late Turgut Ozal - has improved vastly over the past decade, partly, if not largely, in response to Mr. Ocalan and his PKK. Most of the protesting diaspora Kurds in Europe would not

> decade or more ago. They remain frozen in time. The vast majority of Kurds, like those fallen soldiers who served in the Turkish military and fought the PKK, are an intimate if sometimes problematic part of the demographic landscape that is Turkey.

recognize the country they fled a

As for the protesting diaspora Kurds, they are increasingly a marginalized group of losers, who, aided by a Western media culture that relies on black and white answers to complex questions, might have been able to usurp the communal identity of the Kurdish people temporarily, but whose long-term claim to being the hearth keepers of Kurdishness is tenuous indeed.

Mr. Goltz, author of "Azerbaijan Diary: A Rogue Reporter's Adventures in an Oil-rich, Wartorn, Post-Soviet Republic," contributed this comment to the Los

A Love Affair With Violence

W ASHINGTON — No mat-ter how high our "tech" gets, we still adhere to primal impulses going back to Neander- Joel Schumacher, gives the

that days. In other words, another century is ending, but America's sick love affair with violence is not. If anything, the affair is as passionate as ever.

We recoil in horror at monstrous crimes such as the brutal murder of a black man in Texas, or the insane overkill by New York policemen who fired 41 shots at an unarmed African immigrant. Such stories, of course, tell us that racism, as well as brute behavior still flourishes.

Meanwhile, the popular culture continues to celebrate violence, exploit violence, glory in violence. On a recent weekend, the two most successful movies at the American box office were "8 Millimeter," about the making of a pornographic film in which a young woman is butchered on camera, and "Payback," an imbecilic Mel Gibson vehicle in which the violence is stomach-churningly excessive,

explicit and sadistic.
"Payback" opens with closeups of two large, bleeding bullet wounds in Mr. Gibson's back. In the course of the movie he is clobbered, battered, hit by a car and has a couple of bare toes smashed by a thug wielding a huge sledgehammer.

"8 Millimeter" may be worse because it is so cynically hypocritical. Nicolas Cage, as the private eye hero, goes on a cesspool tour of the porno underground. The movie's director.

By Tom Shales

andience lavishly generous ex-posure to some of the kinkiest characters and most grotesque simulated sex ever in a mainstream film - while Mr. Cage's staunch hero recoils in horror.

The hero turns away. Mr. Schumacher's camera does not. Television, of course, is the most powerful cultural influence in America, and TV violence is

MEANWHILE

back with a vengeance. Jerry Springer revitalized the tired talk show format by adding fights and brawls to virtually each edition of The Jerry Springer Show. The results can be admittedly funny in a campy way, but the way Mr. Springer's studio audience cheers the fights is frightening.

Professional wrestling was a mainstay of television in its earliest, silliest days, but films of those early matches seem quaint by comparison with today's new and "improved" brand. Now the violence is much more extravagant, the punishments more effectively faked, and the weapons of choice brought into the ring include metal chairs, tables, everything but the kitchen sink. In fact, on "Extreme Championship Wrestling," a semi-facetious wrestling series, combatants once did throw a kit-

chen sink into the ring. Again, the effect can be ab-

surdly comic - something raised to the level of anarchic insanity — but the audience for all these wrestling shows includes millions of children.

Whether they watch wrestlingextravaganzas on Ted Turner's TBS cable network or the showson USA Cable - and both shows. score huge ratings - kids are being repeatedly subjected to the sacred theology of violence. This doctrine maintains that physical combat is manly, that brawling is. the true test of character, that bullies and thugs enjoy lives of power and luxury.

It is fascist entertainment. And increasingly, the wrestling stars; are turning up in other venues --on talk shows, in guest shots on sitcoms, or, of course, in the governor's mansion in Minnesota. Somehow it just does not

seem to be all in good fun. When kids can't get a violence fix from television, they, can certainly get one from gory: video games with names like, "Nuke 'Em Duke," which are advertised, of course, on kiddie. TV shows.

Whatever happened to the Vchip, the gizmo that was sup-posed to allow parents to make violent shows inaccessible to kids? Congress mandated it -but then, Congress has been so busy with other matters lately; The V-chip always was a lame idea, with Big Brotherly overtones, but surveying the carnage. that litters the landscape these days, maybe it would be better than nothing.

The Washington Pust



Any civil war that results from Indonesia's withdrawal from East Timor will be the responsibility of Indonesia. It is the Indonesians who are arming their East Timorese supporters and organ-

East Timor's Transition

Correction

A commentary on the opposite page yesterday, by Tom Rosenstiel and Bill Kovach, misidentified Representative Tom DeLay. What is notable about this little- He is the House majority whip and izing them into militias. These mi-

LETTERS TO THE EDITOR

litias are now attacking civilians. Any transition to independence should take place under international auspices, perhaps led by the United Nations and Portugal. This would give the East Timorese a chance to reconstruct their society, create the institutions needed for self-government and begin their recovery from more than two decades of brutal occupation.

IOHN M. MILLER.

Brooklyn, New York.

The writer is media coordinator for the East Timor Action Network/U.S.

Proposal for the Balkans

There should be little opposition in the United States or in Europe to military intervention in Kosovo. Without Western intervention, there will either be thousands of Serbian refugees or thousands of Albanian refugees struggling out of Kosovo and looking for refuge in Western Europe.

Military intervention is not the solution. It will raise the question of what should happen next. Military power is a tool of diplomacy, not an end in itself.

The solution to the Balkan crisis is that all of the states that made up

the former Yugoslavia should be offered membership in the European Union.

These states are not ready to join as full members of the Union. But the European Union could create a candidate member category, if the people of the Balkan states, each voting in their own elections. wish to become members.

Let us begin on the hard task of creating this candidate member status, to bring peace to the region. to create a land link with Greece. and to save ourselves an indefinite military burden.

JOHN MUSTOE. Thurleigh. England.

BOOKS

THE ERA OF JIANG ZEMIN

By Willy Wo-Lap Lam. 452 pages. \$25. Simon & Schuster (Asia).

Reviewed by Philip Bowring MOST foreign bankers and businessmen in Beijing, Shanghai and Hong Kong read Willy Lam's articles almost daily in the South China Morning Post, of which he is the China editor.

Knowing how much money so many have lost in pursmit of the Holy Grail of bringing capitalism to China, they may now wish that they had studied Lam's work more seriously. Instead they mostly chose to believe not the work of an experienced journalist but the half-baked views of "experts."
These were usually either highly paid

young economists with scant knowledge of China's politics and history, or west-ern sinologists who suddenly found there was a lucrative business in advising companies of the opportunities in the land of a billion capitalists.

Many of Lam's readers were prone to complain of never being given a coherent sixture of what was point on in Chine A picture of what was going on in China. A story of one group's success in getting the better of anti-reform remnants in Guangdong or Shanghai would be followed the

next day by reports of muscle-flexing by the People's Liberation Army or a Beijing push for party control.

But the fault was mostly with the readers. Lam was actually describing the messy reality of China's politics, a huge canvas where personal, ideological, regional and institutional forces contend. Politics is always in command. Sometimes its direction can be set by the force of personality and political skills of a man such as Mao or Deng, but it is always subject to continuing challenge.

Prentice Hall (United States and Europe). jectives of Deng's successor, Jiang Zemin. Many had expected Jiang's tenune to be short. He lacked strong ideo-logical motivation, had no military background and cut an unimpressive public figure.

But Jiang emerges as the synthesizer of the multitude of contradictions that make up China, the cautious manipulator who understands how the system works and

has but one goal in life - to survive. The picture of China that emerges is not one which will give much comfort to the likes of General Motors or Dai-Ichi Kangyo Bank. It is a world away from the view that foreigners have been shown of a nation on the cusp of an open economy and free political institutions.

Jiang's China wants a return to some Communist Party certainties, if only to maintain control. It wants modernization, but in the national interest as defined by the party and bureaucracy. It is a regime that, for all its need of local entrepreneurship and foreign capital, despises the Deng "get rich quick" mentality and hopes to gain kndos from appearing to favor the poorer provinces. But at the same time it has to make too many com-

promises to root out high-level corrup-tion, unless it poses a political threat.

The Jiang era's most effective and articulate operative, Prime Minister Zhu Rongji, wants large, modern, efficient, honestly run state enterprises and strong central government, not a capitalist free-for-all that produces rapid but regionally unbalanced growth. The book was finished before Beijing's recent abandonment of the Guangdong Inter-national Trust & Investment Corp. to its creditors. But one can easily see Zhu's hand here, at once attacking mismanagement and corruption, deflating pro-

Lam is thus an ideal writer to bring vincial pretentions and showing scant some perspective to the career and obare there to be used, not to be hand to make money.

But Lam is doubtful whether Zhu's neoconservative agenda of promoting order and submitting the party "nobility" to systems that further the state, not the individuals cadres, can be applied in practice. Either he will be forced to compromise or like Shang Yang, the reformist hero of China's warring states period, lose his head.

The Jiang methodology, Lam explains, is partly a response to circumstance and partly the outcome of his own experience. Jiang's is the world view of experience. Jiang's is the world view of a generation of Soviet-trained engineers who are practical but cautious, valuing order and predictability over other virtues. He needs the party to achieve these goals, but disarray and factionalism within the party have made it necessary for him to rely heavily on his own "Shanghai gang" of trusted associates. Call it stability or stasis, Jiang's China Lam eags is a different China

China, Lam says, is a different China than would have emerged had Zhao Ziyang or Hu Yaobang succeeded Deng. That begs many questions about what degrees and types of reform are possible in China without leading to disorder that will undermine the state

and the economy.

But Lam does not preach about what should happen. He clearly has liberal sympathies, and some may feel he takes an overly cynical view. This is a political biography, however, with deep roots in the circumstances of Jiang's career. It is always mindful that Jiang is trying to deal with China as it is and set practical, not idealistic, goals. Wishful thinkers will not enjoy this book, but they in particular should read it. International Herald Tribune

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BRIDGE

By Alan Truscott

I Salisbury, 08, was executed by Henry VIII of England because she had a faint

would have learned unitary, our six spaces to six no-trump. He him and his team-mates win a achieved his purpose and close match and they made because she had a faint him and his team-mates win a chieved his purpose and close match and they made west the opening leadmarched on to the title. claim to the throne and a son four diamonds. South therewho was a nuisance to the fore took effective action to have been helpful, but West King. She ran away from the avoid the ax. He recognized

dragged back. It was a spirited attempt that failed. Bridge players who try to escape the ax are more likely to be successful, as on the diagramed deal. It was played in a Regional Knockout Team Championship on Marco Island, Georgia, in October, and the North-South cards were held by Bill Root of Boca Raton, Florida, and Bob Jones of Delray Beach. Florida. as on the diagramed deal. It Delray Beach, Florida.

East opened with a weak two-diamond bid, and after a takeout double by South, both

cue-bids in diamonds. They King. She ran away from the that West, not East, must have played low from the dummy the diamond ace, and there-

> 0 B 6 ..EAST , **+**QJ SOUTH

> > **♦ K 8**

North and South made fore ran from spades. TN 1541, the Countess of Salisbury, 68. Was exSalisbury, 68. Was exWest had taken the opportuWest had taken the opportuWest had taken the opportuThe six spaces to six no-trump. He six spaces to six spaces to six no-trump. He six spaces to six no-trump. He six spaces to six spaces to six no-trump. He six spaces to six spaces to six no-trump. He six spaces to six no-trump. First he tried six hearts,

> winners in dummy, unblocking the jack, and cashed the heart ace. When the 10 appeared from East, he was able to cash the nine. South led to the club ace, cashed the heart queen, and led a spade to dummy's 10. The ending is shown at left. When the last spade was wacu me last spade was East led from dummy, East was 20 squeezed in a vise position. A club discard would obviously have been fatal, so he gave up Pass

the diamond jack. Jones dis-

king. He cashed three spade

carded the club eight, led a diamond to the queen, king

NORTH AAKQ103 VA95 EAST(D) ♦8752 ♥8742 7 __ 7 J 10 ◆QJ10754 ♣QJ1072 SOUTH OK Ge3 AAK8 North and South were vulnerable €♥ Pass 6 N.T. Pass

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INTERNATIONAL

Jones. It was Mrs. Tripp, a friend of the

employed by Starr's investigators." The

Associated Press obtained excerpts from

the book from a source outside the pub-

lishing world.]
In his testimony before the House Ju-

diciary Committee in November, Mr.

Starr said Ms. Lewinsky was incorrect

that prosecutors had barred her from call-

ing anyone she wanted.
"We made it clear to the witness that

she was, in fact, free to leave," Mr. Starr

Governor Rejects

International Pleas

For Doomed Killer

Committed by Our Staff From Disputch

FLORENCE, Arizona - Gov-

ernor Jane Hull ignored international

pleas Wednesday to halt the sched-uled execution of the convicted

killer Walter LaGrand, a German

citizen whose brother was put to

Germany sued Tuesday night in

death last week for the same crime.

try to hait the execution. The court,

which has no enforcement powers

and relies on voluntary compliance with its rulings, urged the United States to stay the execution while it

But the governor refused. "In the

interest of justice and with the vic-

tims in mind, I have decided to

allow this execution to go forward as scheduled," she said. As a result, Mr. LaGrand was to go to the gas

Later Wednesday, the Interna-tional Court of Justice appealed to the U.S. government to do all it

could to press the Arizona state au-

thorities to call off the execution.

Judge Christopher Weeramantry of

Sri Lanka, the court's vice pres-

ident, said that Washington should

use "all the measures at its dis-

Foreign Minister Joschka Fischer

of Germany attempted several times

to have the execution stayed, but

Claudia Roth, who heads the Hu-

man Rights Committee in the

Bundestag, urged Secretary of State Madeleine Albright on Wednesday to save Mr. LaGrand. She attacked

the secretary for fighting "for human rights in China while keeping quiet

on the subject in her own country."

had violated the Vienna Convention,

which guarantees foreign criminals

demned to death in 1984 after a jury

convicted them of stabbing to death

a 63-year-old bank manager in a bungled robbery. They were born in Germany, moved to the United States when they were 4 and 5 years

old, and never became U.S. citizens.

By German law, they remained Ger-

help from their home embassies.

She asserted that the United States

The LaGrand brothers were con-

Mrs. Hill rebuffed his efforts.

posal" to prevent the execution.

considered the appeal.

chamber at 3 P.M.

and gave it to prosecutors.

Associated Press reported.

Netanyahu Rejects Call For Lebanon Withdrawal

JERUSALEM - Prime Minister Benjamin Netanyahu rejected Wednesday a call by Foreign Minister Ariel "Sharon to postpone Israel's May election and form an emergency government erthat would pull Israeli troops out of

Mr. Sharon floated the unilateral withdrawal plan a day after Ehud Barak, --leader of the main opposition Labor esparty, raised the stakes in the race for prime minister by pledging to bring the troops home within a year of taking

Asked about his foreign minister's surprise plan, Mr. Netanyahu, who heads the governing rightist Likud party, told Army Radio: "The election should not be postponed."

"We want to leave Lebanon but we mhave to ensure that Lebanon doesn't come to us," Mr. Netanyahu said, spurning a unilateral pullout on grounds that Hezbollah guerrilla attacks would shift from Israel's south Lebanon oc-:: cupation zone to northern Israel.

1 coalition if elected prime minister, also rejected Mr. Sharon's proposal, which www.published in major Israeli newspapers and carried by radio stations.

Mr. Sharon launched the trial balloon as a national debate raged in Israel over keeping the army locked in a war of matrition with the pro-Iranian Hezbollah one would ever want to marry the," she aguerrilla group in the south Lebanon says, and continues: "I thought there guerrilla group in the south Lebanon

The Lebanon issue has taken center stage in campaigning for the May 17 general election, after the killings of riseven Israelis, including a brigadier-general, by Hezbollah guerrillas in south Lebanon in a week.

"A national emergency government, ided by Likud and Labor, must be established immediately so it can decide on a unilateral withdrawal from Leb-. anon and implementation of the deal with the Palestinians," Mr. Sharon told newspapers, referring to the Wye River ...land-for-security agreement.

"This is the only way to get out of the Lebanese maze. Only a unity govern-'ment can make these kind of decisions," he said, noting it could take several months to implement such moves.

"Elections have been postponed in the past when urgent matters of state had to be addressed." Mr. Sharon said, referring to a national vote in Israel that was delayed in the aftermath of the 1973 Middle East war.

Mr. Sharon, a hawk who engineered Israel's 1982 invasion of Lebanon, has in the past advocated a phased unilateral pullback from Lebanon but has largely stayed on the sidelines of the political *debate in the election campaign.

📭 Sharon Faces Bribe Allegations

. The police questioned Mr. Sharon on ister when Israel invaded Lebanon in unofficially revealing it early to allow 1982, Agence France-Presse reported from Petah Tikya, Israel.

Police officials said Mr. Sharon was interrogated "under caution" by investigators of the criminal brigade, meaning that his testimony could be used in legal action against him.

The investigation centers on allegations that Mr. Sharon granted favors to a general-turned-businessman, Avigudor Ben-Gal, to change his testimony in a libel case filed by the minister against -!the Israeli newspaper Haaretz.

Police for 11 hours Feb. 18.

Mr. Sharon was out of the country at that time and was questioned Wednesday at a police station in Petah Tikva, near Tel Aviv.

The case began with a Haaretz article that claimed that Mr. Sharon had led Israel into a full-scale war in Lebanon while telling Menachem Begin, the prime minister then, that it would be only a limited incursion to halt attacks by Palestinian guerrillas. Mr. Sharon sned Haaretz for libel over the article. Mr. Ben-Gal, who headed the northern command of the Israeli Army during

the invasion, was called to testify for Haaretz in the 1997 trial after he said publicly that Mr. Sharon had secretly plotted a much deeper thrust into Lebanon than approved by Mr. Begin.

But Mr. Ben-Gal retracted that state-

ment during the trial.

The current investigation centers on charges that two weeks before the trial Mr. Ben-Gai accompanied Mr. Sharon, who was then national infrastructure minister, on a trip to Russia. His in-clusion on the trip offered Mr. Ben-Gal Incrative business opportunities.



Linda Tripp, who secretly taped Monica Lewinsky's conversations, arriving Wednesday at the Defense Manpower Data Center in Virginia. She has been paid to work at home in Maryland for more than a year.

SCANDAL: Lewinsky's Friends Are Fearful of Reprisals by Starr

Continued from Page 1

Labor, pledging that Mr. Barak, a refused to cooperate with their criminal informer army chief, would set up a broad inquiry of the president, she conteminquiry of the president, she contemplated throwing herself out a window on the hotel's 10th floor, where she stood at the time with several prosecutors, the people familiar with the book said.

Ms. Lewinsky says she "couldn't

bear to go to jail."
"I would come out an old lady and no was no way out other than killing myself. If I killed myself, then there would be no information and I wouldn't have to deal with the hurt and the trouble I had had obtained it from lawyers for Paula

caused the president." Ms. Lewinsky complains in her book younger Ms. Lewinsky, who taped her that her efforts to call her lawyer and her account of her affair with Mr. Clinton mother were rebuffed by prosecutors

She said that on that fateful day in January 1998, prosecutors confronted her with a copy of her false affidavit in which she swore that she had not had an affair with Mr. Clinton. But at that time, Ms. Lewinsky's lawyer, Francis Carter, had not yet filed the affidavit with a federal court in Little Rock, Arkansas.

Mr. Starr has said that his office was sent the affidavit anonymously by James Moody, a lawyer for Linda Tripp, who

Mandela Calls June 2 Election

President Makes the Most of End to Political Suspense

The Associated Press

CAPE TOWN — Wringing every drop of suspense out of a historic anncement, President Nelson Mandela told Parliament on Wednesday that South Africa would hold its second allrace elections on June 2.

Mr. Mandela had initially wanted elections to take place May 18-27 but said that after consulting with election officials he had decided to hold it a week later to give them more time to prepare. Making lawmakers squirm in antic-

ipation and others break out in laughter, a grinning Mr. Mandela paused several times to sip from a glass of water before naming the date.

tion. He is almost certain to be succeeded Wednesday about allegations that he citied to bribe a witness in a court case officially proclaiming the election date until after April 30, but he said he was by Deputy President Thabo Mbeki. Mr. people still registering to vote to know where they will be on ballot day.

The naming of a date was delayed after opposition parties took the government to court over new rules that allow only people with bar-coded identity documents to register to vote.

The new ID books were first intro-duced in 1986, but only about 65 percent of minority whites — many of whom support opposition parties — have the proper documents, compared with 80 percent of the majority blacks.

Though the small, mostly white Democratic Party launched a new legal action against the rules Wednesday, a court last week threw out a similar bid by the former ruling New National Party, giving the government confidence to name an exact date. The New National

Party was appealing. The Independent Electoral Commis-sion will hold a final bout of voter registration this weekend. Two previous Mr. Mandela, who has led the nation attempts have resulted in about 57 persince an all-race ballot in 1994 ended cent of the 25 million voters becoming

Mr. Mandela appealed for all South Africans to register, saying they should

never take freedom for granted.

Recent opinion polls have shown the governing African National Congress easily ahead of any other political party. Politicians from all sides have been campaigning informally since early last year. Opposition parties try to paint the

ANC as corrupt and inefficient, while ANC leaders land their successes in delivering basic services to millions of

Amsterdam Reopens Hearings On 1992 Crash of El Al Cargo Jet

THE HAGUE -- Public hearings into the 1992 crash of an El Al cargo plane in a densely populated Amsterdam suburb resumed Wednesday, with a series of sensitive questions about the fatal flight

According to the official toll, 43 people were killed when a Boeing 747 the plane had been carrying a hazardous belonging to the Israeli airline struck a cargo but agreed to withhold the inhigh-rise apartment block in Bijlmer on Oct. 4, 1992.

Hundreds of residents of the suburb and rescue workers have complained of persistent health problems that they believe are linked to the cargo and depleted uranium used as ballast on the plane.

Israeli authorities have confirmed that the cargo included the chemical DMMP. which can be used in making sarin nerve gas. But they say the substance is nontoxic and was intended for testing filters that protect against chemical weapons.

The final round of hearings, beginning Wednesday and ending March 12, will address the question of how much senior cabinet ministers, past and present, knew of the disaster and kept to themselves.

Prime Minister Wim Kok and his deputy, Annemarie Jorritsma, and former Transportation Minister Hanja Maij-Weggen are among those the committee is expected to call to testify under oath.

An aviation official gave evidence last month that the authorities heard within half an hour after the disaster that formation up to avoid a public outery. Mr. Kok moved swiftly to suspend the

officials concerned, but public confidence in the government was shaken. Mrs. Maij-Weggen, minister of transportation at the time of the crash and now

Christian Democratic candidate for election to the European Parliament, has said that her civil servants failed to pass on the information that the cargo might be hazardous.

Her successor at the Ministry of Transportation, Mrs. Jorritsma, also has been criticized for doing too little to get to the truth of the Bijlmer affair. She has vowed to resign if the inquiry finds evidence of mismanagement during her tenure as transportation minister.

Continued from Page 1

able for one purpose there is always pressure from other organizations to use it for their purposes," said Lauren Weinstein, editor of Privacy Forum, an on-line journal.

This week, a programmer in Mas-sachusetts found that identifying numbers can easily be found in word processing and spreadsheet files created with the popular Word and Excel pro-grams and the Windows 95 and 98 operating systems by Microsoft Corp.

Moreover, unlike the Intel serial number, which the computer user can con-ceal, the numbers used by the Microsoft programs — found in millions of per-sonal computers — cannot be controlled by the user.

The programmer Richard Smith, president of Phar Lap software, a developer of computer programming tools in Cambridge, Massachusetts, noticed a similar feature in the Windows operating sys-tem: a unique registration number stored on each personal computer in a small database known as the Windows re-

His curiosity aroused, Mr. Smith investigated further and discovered that the unique number on his computer that allows connection to a the network used in most office computing systems, known as the Ethernet, was routinely copied to each Microsoft Word or Excel document he created.

"The infrastructure relies a lot on serial numbers," Mr. Smith said. "We've let the genie out of the

[Ms. Lewinksy's book asserts that the episode regarding the false affidavit "exposed the dubious methods emidentifying number was generated that was likely to be unique. "We need a big number, which is a unique identifier," ployed by Starr's investigators," The ["Starr's tactics have been a matter for grave public concern," the book he said. "If we didn't have it, it would be says. "The whole exchange about immunity was a waste of time except inimpossible to make our software programs work together across networks." sofar as it exposed the dubious methods

An increasing range of technologies have provisions for identifying their users for either technical reasons, like connecting to a network, or commercial ones, like determining which ads to show to Web surfers. But engineers and network designers

argue that identity information is a vital aspect of modern security design because it is necessary to authenticate an individual in a network, thereby preventing fraud or intrusion.

Last month at the introduction of Intel's powerful Pentium III chip, the company's executives showed more than a dozen data security uses for the serial number contained electronically in each of the chips, ranging from limiting access to protecting documents or software

recently backed down somewhat after it in some countries - or that they might was challenged by privacy advocates over the identity feature, agreeing to ship at least some of the processors for the consumer market in a way that requires necessarily translate into civil unrest." the user to activate the feature.

Far from scaling back its vision, however, Intel said it was planning a wider range of features in its chips to belp companies protect copyrighted materials. It also pointed to software apnumber to identify participants in electronic chat rooms on the Internet and thereby protect children agains. Internet

But in achieving those goals, it would also create a universal identifier, which could be used to track computer users wherever they surfed on the World Wide Web. And that, despite the chipmaker's assertions that it is working to enhance security and privacy, has led some privacy advocates to taunt the giant chip maker and accuse it of pursuing a "Big

Brother Inside" strategy.

Intel's decision to forge ahead with identity features in its chip technology may signal a turning point in the battle over privacy in the electronic age. Until now, privacy concerns have generally put industry executives on the defensive. Now questions are being raised about whether there should be limits to privacy in an Internet era.

'Judge Brandeis's definition of privacy was 'the right to be left alone,' not the right to operate in absolute secrecy," said Paul Saffo, a researcher at the institute for the Future in Menlo Park, California.

Some Silicon Valley engineers and executives have responded that the Intel critics are being naive and have failed to understand that all devices connected to computer networks require identification features simply to function correctly.

Moreover, engineers say that some networks require identity numbers to protect against fraud. Each cellular telephone currently has two numbers. One is the telephone number, which can easily be changed. But a second number, known an electronic serial number, is

permanently put in place at the factory to protect against theft or fraud.

The serial number is accessible to the cellular telephone network, and as cellular phones add Internet browsing and electronic mail campbilities it will as electronic mail capabilities, it will po-tentially have the same identity capability as the Intel processor serial number.

between communications and computing becomes increasingly blurred, every electronic device will require some kind of identification to attach to the network.

Industry executives say that as the line

Making those numbers available to networks that need to pass information or to find a mobile user and at the same time denying the information to those who wish to gather information into vast databases may be an impossible task.

Privacy advocates argue that even if colated numbers look harmless, they are harbingers of a trend toward ever-more-invasive surveillance net-

The groups are worried that in the future the government will require ever more invasive bardware modifications to keep track of individuals. Already, they point to the United States' 1994 Communications Assistance for Law Enforcement Act, which requires that telephone companies modify their net-

PRIVACY: How Much Do People Need? work switches to make it easier for gov-

rument wiretappers.
Intel executives insist that their chip is heing misused by privacy groups that have distorted the value of the identifier. The quandary — that it is almost im-

possible to compartmentalize information for one purpose so that it cannot be misused — lies at the heart of the argument.
Moreover, providing security while at the same time offering anonymity has long been a technical and a political challenge. "We need to find ways to distinguish between security and identity," James Dempsey, a privacy expert at the Center for Democracy and Technology, a Washington lobbying organization.

BUG: Y2K Chaos for Some

Continued from Page 1

designed to deal with Y2K issues, from providing low-cost government loans to help businesses alter computer software to new laws designed to ward off nuis-

ance litigation.

The Y2K problem stems from the programming practice of using two-digit numerals in most record-keeping — "99" instead of 1999, for example. As a result, without special adjustments, starting next Jan. I computers may read '00" as 1900 instead of 2000, poten-

tially causing some systems to crash. The report cited the medical industry as farthest behind in the United States in bottle."

Jeff Ressler, a Microsoft product manager, said that if a computer did not have an Ethernet adapter, then another

as induest bening in the Comies in preparing, saying that smaller hospitals and physicians' offices have "particularly high Y2K risk exposure." It also said that midsize and small businesses were lagging, citing one survey that showed that 40 percent of about 14 million small businesses did not plan any

action to deal with the problem Nevertheless, Mr. Bennett brushed aside predictions that the glitches might spark a global economic recession or leave Americans without cash or food. "This is a moving target," he said,

noting that industries were continually improving their readiness.

He said that overall assessments sugsted that disruptions in the United States, if there were any, likely would not last more than three days. "In this country, we will have a bump in the road but we will not be crippled, and it will

not last a very long time," he said.

The committee's assessment drew a mixed reaction from industry experts. Kazim Isfahani, an analyst with Giga Information Services in Cambridge, Massachusetts, said that the panel had done "a good job of pulling everything to-gether" but had not broken new ground.

against piracy.

He termed senators warmings and tonlittle, the world's largest chip maker, ruptions abroad could lead to civil unrest even prompt terrorist attacks -- " mongering." While some countries may be imprepared, he said, "that doesn't

BRIEFLY

Arafat to Ask U.S. To Aid Statehood

· Pratra

RAMALLAH, West Bank — Yasser Arafat will ask President Bill Clinton when they meet this month to formally recognize for the first time the Palestinians' right to statehood, a senior aide said Wed-

nesday.

Such U.S. recognition could be part of a broader international deal under which the Palestinians would agree to postpone a unilateral declaration of independence beyond May 4, when interim peace accords with Israel expire, said Tayeb Abdel Rahim, one of Mr. Arafat's closest advisers.

Palestinian officials said the White House meeting would focus on Palestinian conditions for delaying the declaration, which Israel has warned would lead to a major crisis and potential violence.

Ethiopia Accused Of Using Napalm

ASMARA, Eritrea - The Eritrean news agency accused Ethiopia on Wednesday of dropping napalm on a village on the Western front of the two states' border war, killing one person and injuring another.

Some 150 houses were also burnt when Ethiopian fighter bombers dropped the napalm on Sunday on the village of Schiambiko, a member of the news agency's staff said.

The charge could not be confirmed
by independent sources. (AFP)

For the Record

Jordan reopened its embassy in Kuwait on Wednesday, formally ending a break between the two Arab countries that began during the 1990-91 Gulf crisis. (AP)

Authorities in Quito, Ecnador, have arrested two police captains for possible negligence in the slay-ing of a Marxist congressman, a judge said. Jaime Hunado, a vocal opponent of President Jamii Mahnad's centrist government, and two assistants were shot to death near Congress by three men. (AP)

Security forces in Havana have released some of the scores of activists who were detained during the sedition trial of four well-known dissidents. The four have been accused of promoting aggressive U.S. policies toward their Communist

DONOR: Ethical Issues Sharpen as a Couple Offers \$50,000 for the Perfect Egg Donor Continued from Page 1

from offers of \$7,500 for donors, makes them wonder whether the business is

getting out of control. The wealthy couple offering \$50,000 wants to remain anonymous, Ms. Pinkerton said. But, she added, they decided to offer \$50,000 "because they can."

The couple also realized that it might be hard to find a donor who met their criteria. They are "highly educated,"
Ms. Pinkerton said, and want a child who can be highly educated as well. They are still, so they want a child who is tall.
"We have heard that only 1 percent of the college population is over 5 feet, 10 inches with over 1400 SAT scores," Ms.

Pinkerton said. Lori Andrews, a professor at Chicago-

"When prices for donors reach \$50,000, it gets to be a meaningful, life-altering sum," Ms. Andrews added. Dr. Mark Sauer, who directs the assisted-reproduction program at Columbia University's College of Physicians and Surgeons in New York, said that he found women, even Ivy League women, who were willing to donate for \$5,000. And so, Dr. Sauer asked, why would a comple want to pay \$50,000?

would a couple want to pay \$50,000? "I can understand the motive for the donor - it's like winning the lottery,' Dr. Sauer said.

After all, he said, it takes just three to four weeks to produce eggs. The woman

Kent College of Law, is taken aback by the level that payments are reaching. "I think we are moving to children as consumer products," Ms. Andrews said.

"When prices for donors reach the age of the prices for donors reach the same there is an estherized while a doctor and then is an estherized while a doctor are interested to be a green price. aspirates the eggs from her ovaries through a needle.

But, Dr. Sauer asked, what are the egg recipients thinking when they offer to pay so much for a donor with such specific traits? "What genetic textbook did they read," he asks, that would tell them that

they could order up a tall, smart, athletic child by paying \$50,000 for a donor? Other experts, however, say they fail to see what is so wrong with looking for specific traits in a donor and paying \$50,000 for them.

Dr. Norman Fost, who directs the

versity of Wisconsin at Madison, said it was not so crazy to ask for height and SAT scores.

Dr. Fost worries more, he said, about parents who try to engineer their children after they are born, pushing them to get perfect grades and to take endless SAT tutoring courses, or parents who push their children to be superstars in sports. "I don't think that genetic en-gineering is any more pernicious," Dr.

As for the \$50,000 payment to the donor, why not? "It's like offering someone a million dollars to play pro-fessional football," he said: "You are perfectly free to walk away from it. People make these choices all their

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BUSINESS/FINANCE

THURSDAY, MARCH 4, 1999

ranging from arth-

ritis drugs to genet-

ically modified crops. To revive

flagging carnings,

the \$9 billion con-

glomerate is trying

to act like a small,

start-up company,

favoring teamwork

over hierarchy and

ics have dismissed

Mr. Shapiro's style

as "New Age man-agement," he says

that a start-up's at-

tributes — being ag-

gressive, entrepre-

neurial and quick to

market with new

products — are

needs to compete

with larger rivals such as Novartis

AG and Rhone-

thought Monsanto

had to set the met-

ronome at a higher

speed to compete,'

said James Wilbur,

"I think Shapiro

Poulenc SA.

what

Monsanto

While some crit-

convention.

spontaneity

high-technology

INTERNATIONAL MANAGER

At Monsanto, Can Openness Last?

Casual Style Could Become a Casualty of Talks With Du Pont

By David Barboza New York Times Service

CHICAGO Robert Shapiro. chief executive of Monsanto Co., occupies a modest cubicle on the ninth floor of the Merchandise Mart in downtown Chicago, about 300 miles (500 kilomeiers) from the com-

pany's headquarters in St Louis. On most days, Mr. Shapiro, 60, arrives m a plaid shirt or a sweater, with khakis, and no tie. Employ-ees call him Bob. In the nearly four years that he has headed the company, for-malities have been dropped at lower levels in the company, too. Discussion, through e-mail, is encouraged, and nearly all top executives work in cubicles.

"I think it's better to have an open office rather than dark-

L. Mil State &

wood paneling and cuff links, where there's a message an analyst with Salomon Smith Barney. "And so they about power and privilege," Mr. Shapiro said in a recent adopted an environment to accomplish that." interview. "You want a place that doesn't look like it takes itself too seriously."

work out of cubicles.

At the same time that Mr. Shapiro is beating a drum for an and other executives are in merger negotiations with Du Pont Co., a much larger company with more traditional ways, according to executives who say they have been briefed on the negotiations.

The result has been a peculiar courtship in recent months

deal. Du Pont officials also declined to comment.

The talks, according to the executives who say they have been briefed, are still at a preliminary stage and may go no. further. In June, Monsanto agreed to be acquired by American Home Products Corp. for \$34.4 billion, but that deal analyst with Edward Jones & Co. fell apart in October. Still, corporate culture is clearly But Du Pont may want to strike important to Monsanto as it slowly transforms itself from a

Culture Clash

Monsanto, a life sciences company with a nontraditional approach to corporate life, is said to be in merger discussions with DuPont, the much larger and more traditional chemicals and life sciences



Chief executive Charles Holliday Jr. Headquarters WärnIngton, Delaware Total no. of employees 92,000 Market capitalization \$58 billion \$25 billion 1998 net revenue 1998 net income \$4 billion 1998 net loss

At Monsanto, each business unit operates under two co-presidents, emphasizing a team approach. DuPont has a traditional hierarchical structure with single department heads. DuPont's headquarters also has a suite of executive offices, but most shoes. top Monsento executives

Executives at DuPont traditional business ciothing, but Monsanto's unwritten dress code is set by the example of Mr. Shapiro, who khakis and casual

Despite other differences at the two companies, both Monsanto and DuPont are heavy users of e-mail, and Mr. Holtiday even has his own home page on DuPont's intranet.

Robert Shapiro

\$9 billion

Sources: Bloomberg Financial Markets;

Chief executive

Total no. of employees

Market capitalization

1998 net revenue

Headquarters St. Louis, Missouri

COSSISTINICATION

But the right environment may not be enough. Monsanto could use a huge infusion of cash after spending more than \$8 billion in the past few years on acquisitions aimed at open and free-thinking corporate environment, however, he strengthening its agriculture division. And to compete better with the giants in life sciences, the company needs a bigger

partner, such as Du Pont. Can Mr. Shapiro get Monsanto the size and cash it needs

and still preserve the company's freewheeling ways?

Many analysts are skeptical, especially given their belief The result has been a peculiar courtship in recent months between the two companies. Mr. Shapiro, these executives say, has been searching for a way for Monsanto to be acquired by Du Pont and retain its special character and habits, with its own compensation and incentive programs and possibly its own stock.

Mr. Shapiro declined to comment on the prospects of any the differences were stark: Monsanto official basis of the differences were stark: Monsanto official said, the differences were stark: Monsanto employees spoke up and disagreed with "Bob," while American Home officials deferred to "Mr. Stafford."

"The two companies did have different cultures, but there was also a CEO ego conflict," said William Fiala, an

But Du Pont may want to strike a deal with Monsanto.

See MANAGER Page 14

When Parting Creates a Greater Sum

Spin-offs often

outperform the

parent company

and the market.

By Tim Smart Washington Post Service

America — and investors are cheering.

Hewlett-Packard Co. this week became the latest company to spin off a part of its business, dividing its computer and scientific equipment units into two publicly traded entities. The California company joins such corporate titans as AT&T Corp., ITT Corp., PepsiCo Inc. and DuPont Co. in trying to revamp its business by chopping it into smaller

parts.
"We've seen a lot of this going on the last four years," said Joseph Cornell, president of Spin-Off Advisors, a Chicago firm that advises institutional investors. "Many times the parts are worth more than the whole."

That proved to be the case with AT&T, which spun off its Bell Labs research arm to shareholders in April 1996 as Lucent Tech-

standout performers among high-technology stocks of late. company to investors. Spin-offs also free up capital so AT&T, meanwhile, has pursued a more focused strategy companies can redeploy it more efficiently. since and its stock has also been a strong performer. Last year, there were 21 spin-offs among U.S. compa-

nies, which raised \$13.3 billion for the parent companies, according to Securities Data Co. In 1997 there were 33, but they only raised \$6.7 billion. So far this year, there have been six breakups announced, excluding Hewlett-Packard, with a total value of \$2.2 billion.

Spin-offs are popular because they are a tax-free way to grant existing shareholders a dividend in the form of additional stock in the newly formed company. Companies can create a complete spin-off, in which case shareholders usually receive one share in the new company for each share owned in the parent, or they can create "equity carve-outs" where they sell a portion of the company to the public in a

new stock offering.
That is what General Motors Corp. did last month when it sold 17.7 percent of its Delphi auto parts division to the public, raising \$1.7 billion, and it is what Hewlett-Packard plans to do with an initial public offering this fall of 15 percent of the new scientific equipment company.

Management experts said a company spinning off portions of its business can concentrate resources and capital on its best-performing units, while allowing smaller divisions to WASHINGTON — It's splitsville across Corporate sink or swim on their own. Often, managers in the new company are given new stock options and other incentives to encourage them to perform. The parent company also benefits if it does a partial spin-off by raising cash through the initial public offering.

"The primary objective is really to increase shareholder value of the whole entity," said Rick Escherich, a managing director at J. P. Morgan & Co. who has studied spin-offs. "The two pieces should trade at a higher value than the single entity. What's in it for the parent is in

total a higher stock price." A study Mr. Escherich did in 1997 of 104 spin-offs found they outperformed the overall market by several percentage points.

Stuart Gilson, a Harvard Business School accounting professor, said spin-offs allow Wall Street to more narrowly focus nologies Inc. The offspring has outper-formed the parent since then, with Lucent being among the lowing among new analysts who begin touting the new

companies can redeploy if more efficiently.

Mr. Gilson said that academic analysis suggests spin-offs are a way to circumvent the inevitable "pricing inefficiency" that can creep into a stock's value, when an underperforming unit drags down the overall company's worth.

Travis Engen was executive vice president of ITT when it separated into three companies in 1996. An unwieldy conglomerate spanning life insurance, casinos and auto-motive parts, ITT's manufacturing businesses were unable to raise capital for acquisitions for fear the additional debt would hurt the insurance unit's ratings, Mr. Engen said.

But as chairman of the new ITT Industries, which is concentrated in industrial and defense manufacturing, Mr. Engen has been free to do sizable deals, including a \$900 million purchase of a rival pump maker, as well as sell off some businesses. "In a certain way, my job got easier," Mr. Engen said.

Analysts said the pressure on management from institutional shareholders has gotten more intense in recent years, forcing companies and their boards of directors to continually re-evaluate their business strategies.

CURRENCY RATES

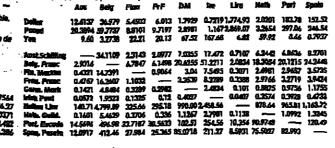
Other Dollar Values March 3 **Cross Rates** Per S Correccy London (a) New York (b) 1.0899 0.6723 1.5926 132.18 1.6615 7.4345 321.68 8.59 1.3763 0.8555 2.015 165.297 2.092 9.4057 407.696 11.3995 **European Cross Rates**

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Euro Values

Fixed rates of the Eli





Hong Kong to Try Deficit Spending, But Analysts See Limited Benefits

By Thomas Crampton International Herald Tribune

HONG KONG - Facing the worst recession in more than a generation, the Hong Kong government Wednesday unveiled a grab bag of stimulus measures, including deficit spending and a possible Disney theme park.

"The whole thrust of this budget is to create new economic opportunities," Financial Secretary Donald Tsang said while delivering the government's budget for the coming fiscal year. "I do not want Hong Kong people to lose faith in themselves and I must help them out of the most difficult economic times they have faced in 40 years."

Mr. Tsang said Hong Kong had been hit worse than expected by the Asian financial crisis and that the economy had shrunk 5.1 percent in 1998. He predicted growth of 0.5 percent this year.

"This analysis depends on the external economic situation turning more favorable." Mr. Tsang said. "The signs are that we have passed the worst of this

But analysts questioned that assertion, adding that the measures announced Wednesday would do little to revive the

есопоту. The chief economist of one major bank, who spoke on condition of an-onymity, called the budget a "soggy

disappointment."

"This budget simply will not inspire the deflation needed to make this economy competitive," the economist said. I was hoping for some clear message, like a steep civil service pay cut."

Mr. Tsang did announce a halt on civil service hiring and a pay freeze. Unlike many countries across Asia that have seen sharp currency devalu-

ations increase their economic competitiveness and attractiveness to investors, Hong Kong has opted to keep its currency pegged to the dollar and to rely on falling prices to regain a competitive

But price changes have been slow to work their way down, badly hurting such mainstays of the economy as retail spending and tourism.



CHINA-BOUND? — Kong confirmed Wednesday that Disney is in talks on building a theme park there. Page 19.

Transit Railway Corp. and press forward with negotiations to build a Disney theme park on a landfill on Lantau Island (Page 19)

Such a theme park would attract tourists to Hong Kong and provide thousands of jobs for young people just out of school as well as recently unemployed middle aged workers, Mr. Tsang said. For Walt Disney Co., which had been

weighing building the park near Shang-hai, Hong Kong offers a central location with few visa bassles for visitors of many nationalities. It would also allow easy access to Chinese consumers who have shown an appetite for Disney's stable of animated characters.

A final decision on whether to build the park in Hong Kong will be made by June 30, Mr. Tsang said, and construction would start within a year, with the first phase operational by 2005.

Hong Kong will also pursue development of a nearly \$2 billion "Cyberport" to house more than 100 high-tech companies, Mr. Tsang said. The planned deficit spending includes

increases in social welfare programs. The theme of jobs growth set by the

the next year or so," said Anil Daswani, head of Hong Kong research at Salomon Smith Barney. "The basis of the budget was a little too optimistic." Mr. Daswani said, adding that he expected Hong Kong's economy to shrink by 2 percent

Mr. Tsang also announced a financial services overhaul that includes the merger of Hong Kong's stock and futures markets within the next seven months.

The changes, which are expected to be opposed by the 650 brokers on the two exchanges, are necessary to ensure Hong Kong's position as a regional financial

center, Mr. Tsang said.
"I do not underestimate the diffi-culties ahead," Mr. Tsang said. "We need to balance the interests of stakeholders, but the status quo is not an

option for Hong Kong."
Singapore, Hong Kong's traditional rival, recently announced a merger of

several financial markets. Mr. Tsang did not offer a reduction in tax rates, as many in Hong Kong had hoped, but he did propose a one-time 10 percent refund on 1998 taxes paid for salaries, profits and property, which he said would return 10 billion Hong Kong

dollars (\$77 billion) to taxpayers. "This, taken together with the extended freeze on government fees and charges and reduction in other business costs, should help us take the first steps on

the road to economic recovery," he said. Government revenue, hard hit by the economic downturn, had forced Hong Kong into a budget deficit of 33.2 billion Hong Kong dollars in 1998, Mr. Tsang said, the territory's sixth deficit in more than a half-century.

The position will deteriorate further in 1999, with a deficit of 36.5 billion dollars, but the budget should be in the black by 2001, Mr. Tsang said.

Starting in 2001, the government will raise 30 billion dollars from sale of a minority stake in its wholly owned commuter railroad, Mr. Tsang said.

The privatization will raise cash and allow residents to share in one of Hong Kong's best companies, Mr. Tsang said.
"It will be good for the market, it will

be good for the management of compa-Mr. Tsang said the government would sell off a stake in the territory's Mass but it won't turn around the economy in Kong." Mr. Tsang said.

Goldman Is Reviving Plan to Go Public

NEW YORK - Goldman Sachs as Group LP managers agreed Wednesday to revive a plan to sell shares in the 130year-old firm, the richest Wall Street

investment bank. The 220 partners are expected to approve the proposal in a vote Monday. such as Merrill Lynch & Co. and Mor-That would lead to the filing of a prospectus with the Securities and Exchange Commission this month and a sale of a 10 percent to 15 percent stake by summer, the firm said. Partners' stakes could be worth as much as \$109 million each.

Last September the firm called off a sale after global markets plunged, securities firms' shares fell more than 60 percent and the industry posted a thirdquarter loss. Since then, markets have rebounded, and so have profits.

"We have recommended that the firm become a public company," Henry Paulson and Jon Corzine, co-chairmen, said in a statement. The reasons match those of last year, they said, including the need for stock to pay for "strategic acquisitions we may select in the future."

nt committee "unanimously en- valuation as they w dorsed" the plan to sell shares. When the year," Mr. Soifer said. sale was initially proposed last June, analysts valued the firm at about \$30 billion based on its partners' capital and gan Stanley Dean Witter Discover &

This is a much better time than last fall would have been," said Raphael Soifer, a securities industry analyst at "There will be a lot of interest in the issue, but it depends on the price."

Goldman will probably fetch less now ample, are trading at about 3.8 times the firm's book value, compared with 4.4 last July.

of November, Goldman is worth about \$24 billion. A 15 percent stake would raise about \$3.6 billion.

The firm said its 15-member man- "It's unlikely they will get as high a

Goldman earned more than \$1 billion in its fiscal first quarter, people familiar with the firm said last week, as the company profited from a market rally that boosted trading, underwriting and mergers during the three months that ended Sunday.

Earnings before taxes and partners' pay beat the \$1.02 billion profit posted in the 1998 period and could exceed the record Brown Brothers Harriman & Co. \$1.04 billion in pretax profit from last year's second quarter, the people said.

That was far above the fourth quarter when profit fell 81 percent, to \$107 than when it had initially planned to sell million — Goldman's worst three shares. Morgan Stanley's shares, for exmonths since 1994 — as the firm lost hundreds of millions trading bonds.

Russia's default and currency devaluation in August triggered a rout Using the current multiple and Gold-throughout emerging markets and in man's partners' capital of \$6.3 billion as other high yield debt. Goldman was vulnerable because it gets almost half its revenue from trading and investing its

U.S. Lawmakers Target the Concorde

WASHINGTON - The House of Representatives voted Wednesday to ban supersonic Concorde aircraft flights to the United States if the European Union goes through with a plan that would effectively bar older Boeing Co. aircraft from operating in Europe.

The European Parliament recommended banning the use of airplanes retrofitted with noise-reduction devices known as hush kits starting in 2002.

The move is a "thinly veiled attempt to give a competitive advantage to EU aircraft and engine manufacturers," said Representative James Oberstar, the Minnesota Democrat who was the chief sponsor of the bill. The bill, which has yet to be approved by the Senate,

would affect four flights daily by the supersonic Concorde, two operated by British Airways from London and two by Air France from Paris. British Airways condemned the U.S. move.

"BA is an innocent bystander in what is clearly a matter for the European Union and the U.S. government to resolve," a spokesman said. "It is grossly unfair and wrong to take reprisal actions against innocent airlines and their customers because of legislation which is being brought in by the European Union and which is outside their control.

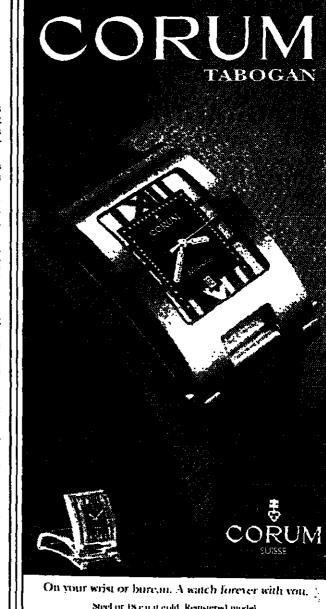
The Commerce Department says the hush-kit ban would hurt sales of more than \$1 billion in U.S. products including aircraft engines and hush kits made by manufacturers such as Boeing Co., General Electric Co. and Pratt & Whitney.

The ban, if carried out by EU transport ministers, could cause the resale value of about 1,000 older Boeing planes, which have the hush kit mufflers, to plummet by as much as 20 percent, the U.S. government estimates. New aircraft made by Boeing, which have quieter engines, would not be affected by the ban.

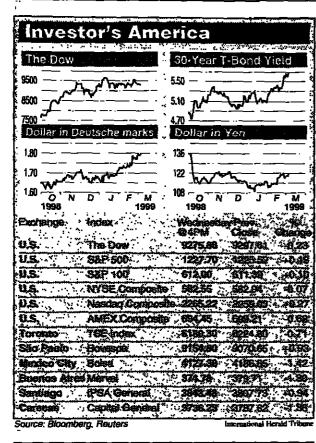
The House approved the Concorde ban by voice vote after Democrats and Republicans railed against the EU proposal in a brief and one-sided debate.

The vote came as European lawmakers offered to postpone endorsement of their hush-kit ban to provide more time to negotiate with the United States. (Bloomberg, AFP)

Steel or 18 c unit gold. Registered model Corum, 2301 La Chaux-de-Fonds Swizerland, fax s41 329 670 600. Internet: www.comm.ch/esmail.info@comm.ch/



THE AMERICAS



Very briefly:

General Motors Corp. sold 17.5 percent more vehicles in February than it sold a year earlier. Ford Motor Co. and DaimlerChrysler AG each sold 8 percent more vehicles.

 Kellogg Co., the world's largest maker of breakfast cereals, said five top executives - including Jean-Louis Gourbin, 51, president of the European operations - are leaving in a management reorganization.

 Republic Industries Inc. will sell its 63.9 percent stake in the trash hauler Republic Services Inc. in a public offering instead of distributing the stock to its own shareholders.

• General Electric Co., blaming the Asian economic slump and the loss of a multibillion-dollar contract to a rival, will lay off 200 jet-engine production workers at its plant in Lynn. Massachusetts, The Boston Globe reported.

• Kmart Corp., the No. 2 U.S. discount retailer, earned \$353 million in the quarter to Jan. 27, up from \$186 a year ago, when results included a \$114 million charge relating to a voluntary early retirement program. Sales rose to \$10.4 billion from \$9.75 billion a year ago. AFX, AP, Bloomberg, Reuters

Concentra Agrees to a Buyout

BOSTON — Concentra Managed Care Inc., a provider of health care cost-control services, said Wednesday that it had agreed to be acquired by the investment firm Welsh, Carson, Anderson & Stowe for about \$1.1 billion in cash and debt.

Concentra shareholders will receive \$16.50 in cash for each share. The shares closed Wednesday at \$14.6875, up \$3.0625. Welsh Carson, which already owns a 14.9 percent stake in the company, plans to acquire stock giving it 93 percent of Concentra's outstanding shares and will seek an outside

investor to buy the remaining 7 percent. Concentra said in October that it was considering its options after falling short of performance goals.

Wall Street Wobbles After Profit Warning From 3Com

Compiled by Our Staff From Disputche NEW YORK - Stocks were mixed Wednesday as a profit warning by 3Com caused concern that company earnings do not justify the level of share prices.

The market is coming down for variety of reasons: overvaluations and higher interest rates," said Stanlev Nabi, chief investment officer at DLJ Investment Management. "In the kind of economic environment we have now, earnings growth should be explosive. It isn't

The Dow Jones industrial average closed 21.73 points lower at 9,275.88, but broader indexes managed to gain a little ground. The Standard & Poor's 500 rose 2.20 points, to 1,227.70, and the Nasdaq Composite index rose 6.19 points, to 2,265.22. Declining issues outnumbered advancing ones on the 61/2 to 221/2 after the Internet com-

New York Stock Exchange by a 4m-3 ratio.

3Com, which sells equipment for data, voice and video networks, was

U.S. STOCKS

the most active stock on U.S. markets. It fell 2 7/16 to 24 9/16 after announcing late Tuesday that thirderations would be far below analvsts' estimates.

The company blamed an "un-expected slowdown" in sales to businesses in the United States and South America. There were some bright spots in

the technology sector. Intel rose 4% to 114 11/16, and Compaq Computer rose 1 11/16 to 33%.

Cyberian Outpost stock surged

puter-products retailer said it ex-pected to report an increase in fourth-quarter revenue, to \$33 miltion from \$8.1 million a year ago.

Treasury bond prices fell after the National Association of Purchasing Management said its index of nonmanufacturing activity rose to 57 in February, from 54 in January. The group's index of nonmanufacturing prices eased to 46.5 from 47.

The price of the benchmark 30-year issue fell 1 3/32 to 93 20/32, pushing its yield up to 5.69 percent from 5.61 percent.

Oil companies rose as a drop in supplies sent crude-oil futures higher, Exxon rose % to 65 11/16 and Chevron gained 2 3/16 to 77%. Crude oil for April delivery rose 42 cents to \$12.93 a barrel on the New York Mercantile Exchange after the American Petroleum Institute reported that U.S. in-

week. Oil is up 20 percent from a 12- duce the returns expected, could imyear low reached in December.

Shares in the retailers Kmart, Tiffany, TJX rose after all three companies reported earnings that were better than analysts expected. (Bloomberg, AP)

■ Greenspan's Testimony

Alan Greenspan reiterated on Wednesday his opposition to President Bill Clinton's plan to invest Social Security funds in the stock

market, news agencies reported.

Testifying before Congress, the chairman of the Federal Reserve said. Investing the Social Security trust funds in equities does little or nothing to improve the overall ability of the U.S. economy to meet the retirement needs of the next century." Mr. Greenspan said government

ventories unexpectedly declined last investment in stocks would not propair pricing of stocks and would be subject to political influence.

He said he favors using the budget surplus to pay down debt or to pay for reforms to the Social Security program, either of which could increase total savings by govemment and individuals.

The large surpluses projected over the next 15 years, if they ac-tually materialize, would significantly reduce the fiscal pressures created by our changing demo-graphics, Mr. Greenspan said. "Whichever direction the Con-

gress chooses to go, whether toward privatization or fuller funding of social security, augmenting our national saving rate has to be the main objective," he said.

(Bloomberg, Reuters)

RJR Puts International Tobacco Unit Up for Sale

the company is seeking to sell its international tobacco operations and has received bids from at least five other companies, including Philip Morris Cos.

The executive, who spoke on condition of anonymity, said Tuesday that a winning bidder could emerge as early as this week, but added that the process could go on for longer. Investors and analysts said the

move was an effort to stave off an anticipated move by the financier Carl leahn to wrest control of the No. 2 U.S. cigarette maker. Mr. Icahn is expected to submit a

slate of proposed directors to RJR's lomon Smith Barney Inc., said RJR board by a proxy filing deadline on was likely to announce a transaction

NEW YORK — An executive of RJR Nabisco Holdings Corp. said

NEW YORK — Suff From Disparches

Friday, they said. For Mr. Icahn, by its May 12 annual meeting.

Mr. Icahn could not be reached the company's shares, it comment. would be his third bid in four years for control of the company.

Mr. Icahn wants RJR to spin off its 80.6 percent stake in Nabisco Holdings Corp., separating the food unit from the legal uncertainty surrounding RJR's tobacco business. RJR says tobacco litigation prevents such a move, and analysts say the company might soon sell or find a partner for its international tobacco unit to placate Mr. Icahn and other investors.
"Are investors impatient? Abso-

lutely," said Timothy Ghriskey, a portfolio manager at Dreyfus Corp. Martin Feldman, an analyst at Sa-

RJR's stock has dropped 19 per-cent in the past year. The shares closed at \$27.625 on Wednesday, down 25 cents.

RJR has seen disappointing results from its international tobacco operations in recent years. To offset falling cigarette sales in both Eastern Europe and the countries of the former Soviet

to reduce operations. cigarettes, it has lagged in the in-ternational market behind both Dreman Value Management. He Philip Morris and BAT Industries PLC, a British tobacco company.

y its May 12 annual meeting.

Mr. Icahn could not be reached for tain. A filing by Mr. Icahn would follow two failed attempts to win control of the maker of Winston and Camel cigarettes in 1995 and 1996, when he also amassed RJR shares and pressed the company to spin off the food unit, the largest U.S. maker of cookies and crackers.

Some major shareholders said they were concerned RJR might sell the international tobacco unit for a low

Union, it has taken a number of steps price simply to appease Mr. Icahn. to reduce operations. "We don't want to see a knee-jerk While the company is the second-largest U.S. domestic producer of off the international unit for next to said the unit was worth about \$6 billion, including \$2.4 billion in RIR executives say a renewed debt. (NYT, Bloomberg)

Jones Set To Buy **Nine West**

New York Times Service NEW YORK - Jones Apparel Group Inc., a leading women's clothing company, said it would acquire Nine West Group, one of the largest U.S. shoe companies, in a deal valued at nearly \$900 million. The deal announced late Tuesday, for \$26 a share in cash and stock for Nine West's shareholders, will combine two giants that market women's retail apparel to many of the same customers: women who are willing to pay

moderate to high prices.
It will also force Jones Apparel, a New York-based company that sells suits. dresses and sportswear under such brands as Jones New York and Evan Picone, to quickly master the business of footwear.

Jones will also take on problems now faced by Nine West, including slowing sales and an investigation by the Federal Trade Commission into the company's pricing practices.

Nine West shares closed at \$22.75 Wednesday, down 6.25 cents, while Jones Apparel finished at \$22.875.

Dollar Firms as Japan Maneuvers Rates Close to Zero

Wednesday after Japan drove money-market rates close to zero, widening the divide between yen- and dollar-denominated deposits.

Japan remains mired in a year-long recession. "What we're seeing is general dollar strength because the U.S. is doing so well," said Bob Gruber, a senior currency trader at Chase Manhattan who predicted further dollar gains.

from 120.215 yen Tuesday. (\$3.33 billion) to the banking system Wednesday, pretty poor.'

Wednesday, March 3

FEEDER CATTLE (CMER)
50,000 Rs.- cards per b.
Mar 99 71.40 72.66 73.1
Aar 99 74.25 73.10 73.9
May 99 74.22 73.95 73.7
Aarg 99 76.07 75.25 75.25
Sep 99 75.75 75.20 75.5
Cd 99 76.00 75.50 75.6

PORK BELLIES (CMER) 40,000 lbs.- cants per lb. May 99 40,00 47,10 40,50 May 99 51,05 49,12 50,42 Jul 99 51,90 50,50 51,45

COCOA (MCSE)
10 metric lares-5 per top
Mar 99 1225 1200
Mary 99 1225 1200
May 99 1235 1230
Jul 99 1235 1230
Sep 99 1280 1256
Dec 99 1218 1295
Metrio 1236 1339
Fest spikes 16.661 Turks spi

The dollar rose to 121.815 yen in 4 P.M. trading

FOREIGN EXCHANGE

The gap reflects a booming U.S. economy while system could help reduce long-term borrowing costs to speed recovery. But at the same time, it erodes the return on ven-denominated deposits and could cause domestic and international investors to avoid Japanese assets.

"Lower rates will boost the value of the dollar against the yen," said Ian Morris, an economist at HSBC in London. "Ultimately the yen will have to The Japanese central bank added 400 billion yen reflect Japan's fundamentals - and they're looking

Computed by Our Stell From Dispersions

Pushing the overnight loan rate between banks as

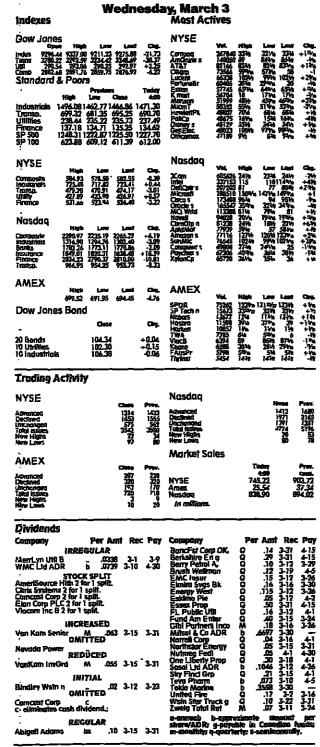
NEW YORK — The dollar rose against the yen low as 0.02 percent. More money in the banking to 140 yen by the end of the year.

The euro was little changed ahead of a meeting of the European Central Bank scheduled for Thursday. Most analysts expect the bank to leave interest rates unchanged. The euro slipped to \$1.0883 from The pound fell to \$1.6140 from \$1.6157, while

the dollar rose to 1.4600 Swiss francs from 1.4565

The Brazilian currency weakened as banks and companies bought dollars to repay about \$640 million in Eurobonds and other foreign debt coming due in the next two weeks. The dollar rose to 2.14 reals from 2.10 reals. (Bloomberg, AFP) down \$3.0625.

U. S. STOCK MARKET DIARY



INTERNATIONAL FUTURES



May 99 95.03 95.02 95.03 unch. 4408 Apr 99 95.01 94.99 95.00 unch. 4874 May 99 94.98 94.97 94.97 unch. 3772 Est, soles 2.319 Tuers soles 4100 Tuers open int 14.493 up 277

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May 99 1.725 1.715 1.733 +0.023
Jun 99 1.725 1.735 1.724 +0.023
Jun 99 1.820 1.820 1.820 +0.023
Ang 99 1.827 1.840 1.827 +0.017
Sep 99 1.827 1.840 1.827 +0.012
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Tuers open bir 2844004, up 3.049

FTSE 100 (LIPPE) 125 per Index point Mor 99 6122.0 60 Jun 99 6138.0 607 Sep 99 6191.0 612 CAC 49 (MATIP) ecco 10 per index point Mar 99 4096.0 4010.5 4001.0 Jun 99 4095.5 4095.0 3963.0 Sep 99 4075.5 4075.2 3967.0 Mar 00 N.T. N.T. 4044.0 Sep 00 N.T. N.T. 4042.0

Commodity Index
Case
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s 1,468,40
fures 75,295
ridge Futures 184,85 Pretfol 1,150.1 1,404.7 74,906 184.46

MANAGER: Monsanto Style

Continued from Page 13

Both companies are focusing on life sciences. Du Pont, which has a small pharmaceuticals division, wants to expand its drug business, while Monsanto's G.D. Searle & Co. unit is a small but

owing force, with strong cancer and arthritis chugs. While it is unclear whether Monsanto's insistence on doing things differently is encouraging or hindering a big merger, its approach has so far done little for the bottom line.

After years of spectacular earnings gains, the company faltered in 1998. Heavy research spending and a string of highpriced acquisitions in the seed business saddled the company with a huge debt load. Earnings suffered, and heavy reorganization charges and layoffs were announced. The stock tumbled in October after the deal with American Home Products collapsed, and it has been treading water ever since.

On Wednesday, its shares were rose \$2.375 on the New York Stock Exchange, to close at \$46.75, and some cited the talks

with Du Pont as a reason. Nearly four years after taking over as chief executive, Mr. Shapiro has refashioned Monsanto as an open and free-

Shapiro has refashioned Monsanto as an open and free-thinking company, executives there say.

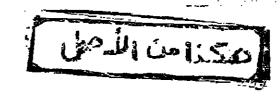
In addition to abolishing executives suites, he instituted flexible work schedules and work locations, including his own. Each business unit has co-presidents. He has encouraged free discussion, even something he calls an 'underground newsletter' — a computer site where employees can post their thoughts about the company anonymously.

Some experts question whether Monsanto can remain Monsanto if the company is acquired. "If history is any guide, that cubicle thing may be short-lived," said Thomas Lys, a mergers specialist at Northwestern University's Kellogg Graduate School of Management.

Still, the company's special qualities could survive a merger—and perhaps even survive Mr. Shapiro. "This is not an expression of Shapiro's philosophy," Mr. Shapiro said. "This is a business philosophy of how you make money in life sciences. And in a Darwinian world, this culture will prevail."

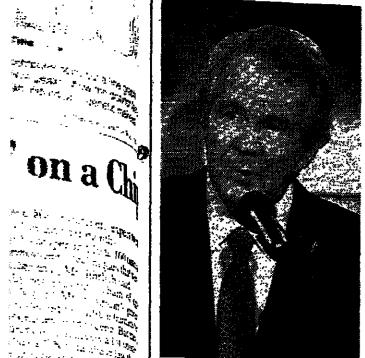
INTEREST RATES

10-yee 4.897 4.241 4.131 4.382 1.745 4.378 5-yees 4.832 3.468 3.523 3.813 0.88 3.771 Money Market Rates Dollar Euro Sterling Yen Sw Franc 39-day 1.6172 1.5263 1.0935 120.83 1.4574 Gold Fixings 6**0-day** 1,6158 1,5263



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TV Evangelist Puts His Faith in the Bank of Scotland



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Pat Robertson, 700 Club co-bost, expresidential candidate and, perhaps, By David Cay Johnston New York Times Service

NEW YORK - Pat Robertson, the religious broadcaster who built a fortune from 700 Club." businesses affiliated with his ministry and ran banking industry.

Mr. Robertson and the Bank of Scotland have applied for a charter to operate a new customers by phone and mail, as the Bank of Scotland already does in Britain.

The same model is used for dealing with donors to Mr. Robertson's Christian Broadcasting Network and his political arm, the Christian Coalition.

The bank hopes to begin accepting deposits in three or four months and to issue credit cards and mortgages later, said Tom Smellie, a spokesman for the Bank of Scotland. The new bank has not yet been named, Mr. Smellie said, but it will not include either Scotland or Mr. Robertson's name in the title.

Mr. Robertson, founder and chairman of the Christian Coalition, will be "a very significant minority shareholder" in the bank and will be chairman of its American holding company, said C.A. Volder 3d, a spokesman for Robertson Financial Services, the unit that

is investing in the new bank. Several banking experts said the arrange-

regularly tunes into Mr. Robertson's daily he added, is simply getting the word out.

"If you are Citibank with its phenomenal."

Mr. Volder said that the bank would not for president in 1988, now wants to go into the advertise on "The 700 Club" and that neither the program's mailing list nor the Christian Coalition's would be used to solicit bank business. "Of course the fact that he is ennational bank in the United States that will dorsing the product is important," Mr. Volder have no branches but will instead deal with said, "and his co-host may say, 'Dr. Robertson, I hear you are going into the banking business,' and ask him about it."

In some ways, the bank, which is not expected to face major obstacles to regulatory approval, would be a natural extension of Mr.

Robertson's existing operations, analysts said. Essentially, he is a bank on the deposit side already," said Seamus McMahon of First Manhattan Consulting Group, which advises financial institutions on marketing. "He is one of the biggest fund-raisers in the U.S. between his religious, political and charitable in-

"Although he will be going after the same people, he is trying to get a bigger share of their wallets. So today he may get \$50 or \$150 as a gift, but he is looking to get \$2,000 and \$2,000 and \$4,000 in deposits." \$3,000 and \$4,000 in deposits."

Eric Hartz, chief operating officer of Security First Network Bank, which operates over the Internet and has one office, in Atlanta, you."

ment could be highly successful if it tapped said that "not having brick and mortar is a great even a small part of the vast audience that advantage." A big expense in operating a bank,

branch network, you just drop brochures in all the branches to tell people how to reach you,"
Mr. Hartz said. "Bank of Scotland can accomplish this by tearning with Robertson, who has a pretty strong followership."

The idea for the deal grew out of a business loan that Mr. Robertson sought in June from the Bank of Scotland, which has \$4 billion of commercial loans in the United States. He learned that the bank had attracted about 800,000 customers to its phone business, which it started in 1997 in partnership with J. Sainsbury PLC, the British grocery store chain,

Mr. McMahon and others said that Mr. Robertson's high public profile could be a liability for American banks with established names, but not for a foreign bank seeking to enter the U.S. market.

Over the years, Mr. Robertson has made remarks that have drawn complaints from gay activists and members of other minority

Last year, for example, he took note of banners welcoming gay people to theme parks in Orlando, Florida, and said: "I would warn Orlando that you're right in the way of some serious hurricanes, and I don't think I'd be waving those flags in God's face if I were

Peugeot Posts

Profit for '98

PARIS - PSA Peugeot Citroen

said Wednesday that it returned to

profit in 1998, reporting net con-

solidated earnings of 3.18 billion

francs (\$571.9 million) after a loss

of 2.77 billion francs a year earlier.

The French automaker said it ex-

pected to improve its results further

this year despite an expected 2 per-

cent fail in the European car market.

Peugeot's results were in line with

analysts' forecasts: its shares fell

2.80 euros to close at 116.30 euros

Jean-Martin Folz, the company's

company was considering mergers

or acquisitions in Europe and else-

(\$126.53) on the Paris Bourse.

Investor's Europe Franklutt London FISE 100 Index CAC 40 5800 - --4100---3200 J ONDJEM. 2900 ONDJEM Wednesday Prev. Close Close (Exchange 519.16 526.09 3,32 **AEX** 3,294.41 3,304.33 0.30 SEL-20 4,697,67 4,804.02 -2.23 DAX 603.28 599.77 40.59 Copenhagen. Stock Market 6,119.33 - 5,055,26 ×+1,06 HEX General 534.57 525.39 (4).75 Osto : :: OBX ' FTSE 100 6,048.30 - 6,061.30 -- 6,21 London 867.58 877.01 -1.08 Stock Exchange MISTEL 23398 23746 -1.50 CAC 40 4,004.16 "4,048.53 -1.18" Stockholm SX 16 4,031.04 4,054.72 -0.58 1,152.07 1,156.15 0,35 Vienna **** ATX 4,427.32 4,419.41 +0.18

Very briefly:

· Canary Wharf Ltd., which announced plans to float stock this week, received a boost when Citigroup Inc. said its corporate and investment banking businesses would occupy about half of a 42-story tower that will soon be under construction at the London site.

 Psion PLC's net income more than doubled in 1998, to £18.7 million (\$30.2 million), from £7.7 million a year earlier on a one-time pretax gain of £11.4 million from the sale of rights in the Symbian project, a mobile-phone software venture. The British maker of palmtop computers cautioned that profit in 1999 would suffer from costs related to Symbian.

• The Bank of England ended a five-month run of interest rate cuts and kept its benchmark rate unchanged. The rate, at 5.5 percent, is at its lowest level since 1994 after the bank cut it by 2 percentage points in successive steps since October.

• Norway cut its key interest rates by a half-point each, the second reduction this year, to bolster demand in a slowing economy after employers and labor unions agreed Tuesday to moderate wage growth this year. The central bank cut its deposit rate to 7 percent from 7.5 percent and its overnight lending rate to 9 percent from 9.5 percent.

• Heineken NV's net income rose 29 percent last year, to 445 million euros (\$486.6 million), beating expectations, as higher sales, consolidation and a better product mix offset higher chairman, told reporters that the marketing expenses.

• Norway plans to cut its stake in Christiania Bank ASA, the country's second-largest bank, to about a third from 51 percent this month in one of the country's biggest share sales. The Government Bank Investment Fund of Norway said it ilities, and if we find an interesting one, we will grab it," he said.

would sell up to 90 million shares in the bank, or about 16 nercent, between Monday and March 19.

Bloomberg, Reuters.

Battens Down

MILAN — Telecom Italia SpA said Wednesday that its chief financial officer, Fulvio Conti, had quit and that Giovanni Stella would take over as fi-

Franco Bernabe, Telecom Italia's chief executive, will assume Mr. Conti's functions as director-general But Mr. Conti will remain as head of Finsiel, Telecom's software division, which may be sold as part of Mr. Bernabe's plans to

control over the world's sixth-largest telephone company as he fights a hostile \$58 billion takeover offer from Olivetti SpA. Telecom Italia also is exploring buying the 40 percent of Telecom Italia Mobile SpA that it doesn't already own,

Tieto of Finland to Buy Rival

price before the offer.

HELSINKI —Tieto Oyj of buy a Swedish rival in computer services, Enator AB, for about \$1 billion in stock to increase its competitiveness in a region that boasts the world's highest rate of

computer and Internet usage. "The two businesses make a dic computer-services industry. very good fit; their strategies are Tieto is betting that the purchase the same," said Visa Manninen, analyst at Carnegie Securities in Helsinki.

Other analysts agreed. "This Tieto gets access to Enator's cusformation technology industry.

"Tietoenator will have a strong an analyst at Opstock.

Tietoenator, will vie with Merkantiklata ASA of Norway for the No. 2 position in the Nor-

The new company, to be called

will help it catch up with WM-data AB of Sweden, which expects that the Nordic market equals more than two, because its economic output in the in-

versa," said Michael Schroder, market position in the fastestanalyst at Opstock. growing businesses, like telecom-Tieto is offering 0.725 of a munications and finance," said market," Mr. Schroeder said. share for each one in Enator. Viking Kjellstroem, an analyst at

Based on Tuesday's close, that HSBC Securities in Stockholm. values Enator at 250.80 Swedish Tieto shares rose 2.40 euros to Tieto shares rose 2.40 euros to Finland agreed Wednesday to kronor (\$30.40) a share, or a 7.6 40.80 (\$44.39) euros Wednespercent premium to its market day, while Enator jumped 18 kronor to 251 kronor.

The combined company would have a market value of about \$3.1 billion and, like Merkantildata, annual sales of \$1.2 billion.

While Tieto is known for its services to the financial industry. including products such as securities trading systems and portwill grow as much as 15 percent a folio management systems, Enis a case where one plus one year. Sweden invests 3 percent of ator is benefiting more from an increase in communications services, which account for 20 percent of the company's sales.

"Both have finished products (Bloomberg, Reuters)

"We are looking at the possib-

raise the stakes for Olivetti.			0	ne, we will grab it," he said.	percent, between Monday and March 19.	Bloomberg, Reuters
WORLD STOCK MARKETS	High Low Close Prov.	r. High Low Clase Prev.	High Law Clase S	rev. High Low Clase Prev.	High Low Close Prev.	Kigh Low Close Prev,
Wednesday, March 3 High Low Ck Prices in local currences: In euros for EMU countries. Kentici High 220 311.69 31 In euros for EMU countries. Kentici High 278 285 312.69 31	No. Pres. Industrial 21.58 29.50 2075 2957 2975	PAO	WWW.ne.org	K.27 SK 12:6032 644001 625000 635000 636000	WANTER OLD	TSE Industrials: 6144.08 Previous: 6225.19
In euros for EMU countries. Kopital Hag 20 31.49 31 Ave 31	Prest Indocessent 31.98 2950 3075 376 4625 1606004 4800 4700 4425 1606004 4800 4700 4425 1606004 121.50 12000 12100 12100 12100 12100 12100 12100 12100 12100 12100 12100 12100 12100 12100 12000 12	7.14	BCE Alob Com 49.90 42.30 42.90 42.30 Alon Oslin Biochem Phoras Alon 33.80 34.00 34.00 Cdn 198 A 47.70 47.10 47.10 47.10 CT First Store 54.00 54.00 56.	2.85 Shenzhen B stores lada: 45.46 Frevious: 45.16 Frevious: 4	Adventeris 859 829 829 830 8800 Aberite Energy Afronomoto 1311 1278 1310 1280 Aberite Energy All Nippon Air 344 334 334 334 334 334 334 334 334 33	11.85 11.85 11.75 11.75 11.85 11.85 11.75 11.75 11.85 13.85 33.85 33.85 33.85 13.85 33.85 33.85 13.85 33.85 13.85
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ASA Libin. 37.10 35.20 36.05 34.05 And 2020 275.86 500 ASR Verz. 68.90 67.00 67.10 68.00 Am Colonia: 82.00 87.50 80.00 Co. 7.85 7.40 7.90 7.85 Beatin 14.15 14.00 1. Ruhmanen 77.25 14.45 14.95 17.20 BASE 22.10 31.02 3	130 T18,00	6 Softmany 3.68 3.50 3.55 3.68 6 5 5 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	Oslo OBX Index: Standard Stand	-	Chupoku Elec: 1871 1865 1871 1877 Cdn Octol Per Del Hap Print 1635 1611 1635 1632 Cdn Perific Del Holi Keng: 670 677 680 677 Du Pent Cdn A Duleus House 1235 1190 1230 1180 EdperSruscen	13.65 13.25 13.35 13.50 26.60 26.00 26.05 26.10 46.25 45.75 45.75 46.25 18.25 17.85 17.85 17.85 17.85
Cop Gersini 52.50 51.75 52.10 52.15 Beyer 22.10 11.60 31 CSM Con 47.75 47.35 47.35 48.05 Beylrip Verbit: 51.30 48.05 4 Dordtsche Pet 34.55 34.15 34.45 34.25 Beismalori 67.80 45.00 46 DSM 77.85 74.05 74.10 77.75 Bewer 19.80 17.40 17.40	126 32.00 Considerer Helgs 51.40 90.38 58.79 52.20 3.06 50.70 Consider N 108.00 98.70 108.00 98.70 5.80 67.00 De Bess 109.80 106.80 108.00 104.20 9.40 17.80 Dissessa Doba 26.50 25.50 26.40 25.30	0 SEMA Group 720 4.90 7.15 7.09 0 SEMA Group 720 4.90 7.15 7.09 0 Seven Trent 9.15 9.01 9.06 8.97 0 Seven Trent 9.15 9.01 9.06 8.97 0 Seven Trent 9.15 9.01 9.06 8.97 0 Seven Trent 9.15 9.01 9.06 8.97	Aker A 97.00 90.00 97.00 9 Aker Mortisne 54.00 57.00 54.00 9 Bergesen Dy A 122.00 177.50 118.00 1 Christianio Bk 29.40 28.40 29.50 Den porske Bk 28.00 27.40 27.70	0.00	DOM SEC. 464 497 499 499 Entropy: DDH 40002 39709 39409 40002 Febrior Fin Deuso 2110 2030 2110 2040 Deuso 2110 2110 2110 2110 2110 2110 2110 211	515.00 503.00 510.00 504.00 16.05 15.60 15.95 15.85 12.60 21.05 21.15 21.45 24.20 21.00 24.05 23.95
Aspan Araid 32.5 32.6 33.5 31.6 31.5 31.6 Allians 77.5 38.5 91.5 31.5 31.6 31.5 31.6 31.5 31.6 31.5 31.6 31.5 31.6 31.5 31.6 31.5 31.6 31.5 31.6 31.5 31.6 31.5 31.6 31.6 31.5 31.6 31.6 31.6 31.6 31.6 31.6 31.6 31.6	12.50 ABSA Group 24.90 27.55 28.10 27.55 28.10 27.55 28.10 27.55 28.10 27.55 28.10 27.55 28.10 27.55 28.10 27.55 28.10 27.55 28.10 27.55 28.10 27.55 28.10 27.55 28.10 27.55 28.10 27.55 28.10 27.55 28.10 27.55 28.10 28.25	d Softway 146 254 2.58 2.44 2.59 2.44 2.50 Softways 13.60 10.50 12.55 12.64 2.50 Softways 13.60 10.50 12.55 12.64 2.50 Softways 13.60 10.50 12.55 12.64 2.50 12.64 2.50 12.65 2.67 2.67 2.67 2.67 2.67 2.67 2.67 2.67	Alter A	2.00	Fornuc 4340 4280 4330 4290 inco Feri Bank 448 440 444 449 Loidlow Full Photo 4290 4790 4290 4290 Margan Indi A Full TV Network 4910a 4700a 4750a Newtondaye Net	17.90 17.40 17.40 17.70 9.35 9.05 9.05 9.15 89.35 87.50 87.50 88.40 39.20 36.00 36.00 38.50
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KLM 265 36.20 26.25 Ergo Vers. 127.00 114.50 12 KPN 46.60 44.30 44.30 45.70 Fresents 139.00 134.00 13 Nedloyd 10.45 10.28 10.20 10.20 Fresents Med 53.40 53.85 5 Nedloyd 10.45 10.28 10.20 10.20 Fresents Med 53.40 53.85 5	130 113.06 Mel*Lile 9.76 9.40 9.39 9.70 9.00 135.00 Minoxo 102.00 100.00 102.00 103.00 13.00 53.00 Minoxo 11.70 11	7 Tothkins 2,30 2,20 2,23 2,23 2,20 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Sogn Perm A 7200 66.50 7(1,00 6 Schibsted 91.50 90.00 91.50 8 Storebrand 61.00 60.50 61.00 6	0.00 C.B. tested Bir F. 6.01 4.25 6.25 6.45 6.95 6.95 6.95 6.95 6.95 6.95 6.95 6.9	18.J 565 556 556 556 566 760	16.25 16.25 16.30 16.30 16.25 15.65 16.10 15.60 16.85 16.55 16.60 16.75 84.60 83.75 84.15 84.35 13.20 12.70 13.05 12.65
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TOOK PORTED AT THE STATE OF THE	2.60 23.40 BAA 7.38 A.95 7.11 6.97 Bonk Scotland 9.72 2.71 8.27 8.81 Borclays 17.22 16.60 17.07 16.64 Bors 8.67 8.57 8.62 8.65 8.67 8.57 8.62 8.67 8.57 8.62 8.67 8.57 8.62 8.67 8.57 8.62 8.65 8.65 8.65 8.65 8.65 8.65 8.65 8.65	77 177 177 177 177 177 177 177 177 177	Profit Print 153.00 147 151.20 Promote 57 541 561 561 561 561 561 561 561 561 561 56	5.87 AMC 10.28 18.20 18.25 18.20 18.25 18.20 18.25 18.25 18.20 18.25 18.	Orlential Land Oris Gas Oris G	215 215 315 215 044 043 042 042 172 148 1,9 1,72 285 278 280 287 130 225 327 229 130 127 128 129 130 127 128 129 450 845 859 845 450 845 48 48 220 228 228 238 139 9,45 9,25 9,40
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Bloomberg News

nancial director.

focus on telephones and phone service.

The moves increase Mr. Bernabe's

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The 2.300 most traded stocks of the day.

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How Investors Allocate Assets Can Be More Important Than What Stocks or Bonds They Buy

would have guessed that interest rates on five-year U.S. Treasury notes would shoot up nearly a full point in just six eyeeks? Who could have predicted that small-capitalization stocks would continue to plummet in 1999 while meganottest equity market would be India? to forecast sectors of financial markets. Instead, they diversify, spreading their

profit from the rises and avoid being crushed by the declines. O: This process is called asset allocation. Fand research shows that it's more important than which individual stocks or bonds you pick. The process has two functions: first, to reduce risk while keeping returns high, and second, to theet your own needs.

emoney around in a reasonable way to

The precise division of your assets "can't come from a book or a computer. It is a personal decision you should make ally fell. Using statistics from Lipper with your spouse, financial adviser, Inc., a New York company that tracks broker or accountant. Take into account your age, income, cash requirements and intolerance for risk, plus about a half-

ordozen other factors. For example, if you're 25 and want to cent); small-cap stocks, \$14,735 (7 perput away money for retirement, 80 percent); tech stocks, \$29,470 (14 percent);

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TASHINGTON - Who JAMES K. GLASSMAN / ON INVESTING

and 20 percent to foreign stocks. But if (3 percent); Treasury bonds, \$27,365 you're 60 and plan to be living off your (13 percent).

Total: \$210,500. investment income in five years, then the bulk might go to Treasury bonds.

But let's assume you have sensibly cap shares kept soaring? Or that the allocated your assets. Don't forget to reallocate them. Every few years, check 95 No one could have known — and to be sure the categories have not gotten othat's the point. Smart investors don't try out of kilter as one sector booms while another goes bust.

Let's imagine a simple portfolio composed of mutual funds, with dividends and capital gains reinvested. The portfolio was set up five years ago with \$100,000 and allocated like this:

Large-cap stocks, \$40,000, or 40 percent; small-cap stocks, \$10,000; tech stocks, \$10,000; international stocks, \$10,000; emerging-market stocks, \$10,000; Treasury bonds, \$20,000.

Over the past five years, some categories grew faster than others; some, such as emerging-market stocks, actumutual-fund performance, I calculated that the portfolio at the end of February

would have looked like this: Large-cap stocks, \$117,880 (56 per-

The portfolio gained a delicious 110.5 percent, but its categories are now out of whack. The top three groups (domestic stocks) now represent 77 percent of the

portfolio, up from 60 percent; foreign stocks, 10 percent, down from 20 per-cent; and bonds, 13 percent, down from

It's clearly time to rebalance. Take large-cap stocks: 40 percent of \$210,500 is about \$84,200, but the large-cap holdings are now \$117,380. So the portfolioholder should sell \$33,680 worth of large-cap shares and use about half the money to buy emerging-market funds, which should represent 10 percent of the portfolio, or \$21,050, rather than 3 percent that is \$6,315. Continue with the

other groups.

The premise of this kind of rebalancing is that you want to keep your assets in approximately the same proportion as five years ago.

You're certainly free to change the percentages, but only for the right reasons: You're closer to retirement, for example, and need more bonds. Hesitate before changing percentages because cent of your investment dollars could go international stocks, \$14,735 (7 per you believe you can time the market. If you believe, for instance, that large-cap

stocks will continue to outperform small-cap stocks or that emerging markets never will come back.

Yes, large-cap funds have returned 31 percent on average in each of the past four years. But as David Bugen, a financial adviser, wrote on Morningstar Inc.'s Web site, "It is not unusual for one asset class or investment style to dominate for four consecutive years.'

Mr. Bugen, who is a principal in the firm Bugen Stuart Korn & Cordaro Inc. in Chatham, New Jersey, added: "When an asset class achieves short-term dominance, investors often believe that a long-term trend has been established and overweight the asset class. But drastic allocation moves can be dangerous.'

That warning also applies to allocation moves that occur benignly. Over five years, our model portfolio switched out of small-cap stocks and into largecap funds in a big way -- even though no stocks were bought or sold.

Will large-cap stocks rule forever? Don't count on it. Mr. Bugen divided the past 20 years into five equal periods and chose five asset classes: U.S. large-cap stocks, U.S. small-cap stocks, international large-cap stocks, international small-cap stocks and real estate. Remarkably, each asset class was No. 1 in one -and only one - four-year period.

The truth is, sectors rotate. The best way to avoid being steamrollered in the rotation is to stay diversified and to rebalance.

Mr. Bugen made the case vividly by examining the performance of the five asset classes between 1972 and 1998 against the performance of an equal mix of the five, rebalanced every year.

The equal-mix portfolio beat four out of the five asset classes.

When small-cap shares fall as a proportion of assets, you buy more, and at the right time — when they are out of favor. When large-cap stocks rise, you sell.

The only drawback to this approach is the absurd U.S. system of taxing capital gains. Unless they hold their assets in an individual retirement account, 401(k) plan or the like, investors will have to fork over taxes every time they sell shares to rebalance.

It's the price of prudence.

Very briefly:

 The U.S. stock market has seen virtually unprecedented increases in recent years and is in a "dangerous" period that could see stock values drop sharply, the billionaire investor Warren Buffett said. Stocks had risen "terrifically" over the past 15 years, driven higher by lower interest rates and rising return on equity, Mr. Buffett said on the ABC News program "Nightline." Asked when the bubble would burst, Mr. Buffett said: "You never know. You know that valuations are high, by historic standards. You know that the level of speculation is high, by any historic standards, and you know that it doesn't go on forever, but you don't know when it ends."

 Daewoo Securities Co., South Korea's largest brokerage, will start selling mutual funds managed by Goldman, Sachs & Co., the first new overseas funds introduced in South Korea since the nation's economic crisis began in late 1997. The Korean brokerage will apply for approval from the state-run Financial Supervisory Com-(mission to begin sales in April of five open-ended mutual funds. The funds will be invested in overseas equity and fixed-income products, said Chung Jun Ho, a general manager in Daewoo Securities' international sales division. Sales of overseas mutual funds dropped after the Asian economic downtum in late 1997 as South Korea pushed up interest rates to defend its currency, making investments at home more attractive to local investors.

 Hong Kong will merge its stock and futures exchanges to increase the city's competitiveness, Financial Secretary Donald Tsang said at the release of the city's annual budget. The merger, which comes as recession-stricken Hong Kong's role as a financial center is being challenged by Singapore, will happen within seven months, Mr. Tsang said. Hong Kong's merger follows a consolidation trend in the region, with Singapore saying in November it will merge its stock and futures exchanges and Australia announcing in December that it might merge its derivatives and stock markets. and stock markets.

• Shares of Magnum Corp., Malaysia's largest lottery company, fell 2 percent to a two-month low on speculation Lim Thian Kiat will cede control of its parent company, Multi-Purpose Holdings Bhd. Mr. Lim is in talks to sell his stake in Multi-Purpose for 750 million ringgit (\$197.4 million) to Chan Chin Cheung, a director of Renong Blid, the Singapore Business Times reported, quoting unidentified sources. The paper said Mr. Lim was likely to resign his post as the company's chief executive.

 Hong Kong said it would sell a minority stake in its wholly owned commuter railway to the public, eventually raising 30 billion Hong Kong dollars (\$3.9 billion) from shares in Mass Transit Railway Corp. The proposed sale will take place in 2001 and 2002, raising 15 billion dollars in each year. In total, it will be the second-biggest initial share sale in Asia outside Japan.

 Ayala Corp., owner of the Philippines' largest property company, said it had created a class of shares that could raise as much as \$1 billion for it to scoop up assets made cheap by Asia's recession. Ayala said its board has approved selling as many as \$300 million of newly created "X" shares, which would earn 10 times the dividends of its common shares. Assuming the X shares would fetch 10 times the current price of the common shares, such a sale could raise 39 billion pesos (\$1 billion) for the conglomerate.

· Bank of Moscow, the bank that handles the Russian capital's accounts, said it wanted to sell a stake to a foreign partner to raise money and increase its market share. Pavel Borodin, the bank's president, said the bank may sell a stake of between 5 percent and 10 percent. He said foreign investors, including the European Bank for Reconstruction and Development, had expressed interest in buying a stake, though no agreements have been made.

 Hutchison Whampoa Ltd. completed the first sale of an Asian corporate bond to be denominated in Europe's new currency, the euro, today in Frankfurt. The sale is at a lower cost than it would have had to pay to sell dollar-denominated bonds. The sale of 500 million euros (\$547 million) in seven-year 5.5 percent bonds was priced at 99.388 percent of face value to yield 170 basis points more than German government Bunds of comparable maturity, or about 5.6 percent, said Deutsche Bank AG in Frankfurt, which along with HSBC Markets is managing the sale.

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the Semi annual Report for the six month ended September 30, 1998. Casso Computer Co., Ltd. Wil be avaible in Amsterdam at: ABN AMRO Bank N.V., MRESPIERSON N.V.

AMSTERDAM DEPOSITARY-COMPANY N.V.

Amsterdam, February 26, 1999

KAS-ASSOCIATTE N.V.

Where Growth and Value Mix

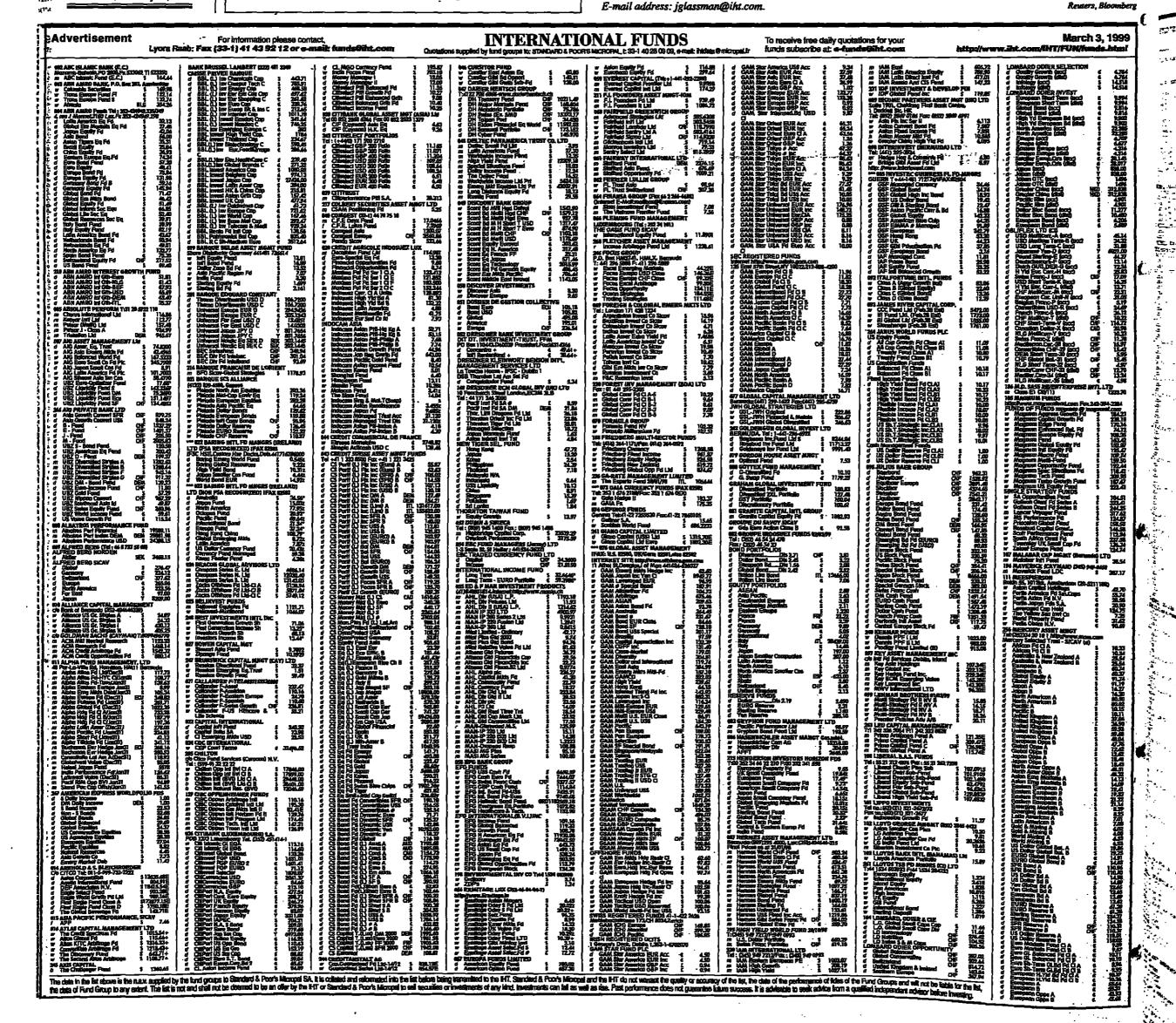
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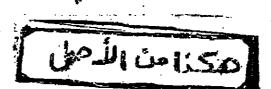
value in one package? Morgan Stanley Dean Witter has ratio by the sum of its annualized fiveyear growth estimates and dividend vield. The lower the PEGY, the better the value. Anything under 1.0 denotes a bargain.

Here are selections, each rated America Inc., dental management, 34 "strong buy" and each with a PEGY percent.

ARM Financial Group Inc., an insurance concern, with earnings growing at 19 percent, according to Bloomberg News; North Face Inc. compiled a list of stocks with low outdoor clothes and gear, growing 24 PEGY ratios — a figure derived by dividing a company's price/earnings ment, 21 percent; Cordant Technologies Inc., aerospace, 19 percent; HA-LO Industries Inc., promotional products, 28 percent; Howmet International Inc., jet-engine parts, 26 per-cent, and Orthodontic Centers of

- JAMES K. GLASSMAN





Hyundai Founder Fires Brother in Dispute

By Don Kirk International Herald Tribune

family feud, the founder of the Hyundai group of companies, Chung Ju Yung, has ordered the resignation of a younger brother as honorary chairman of Hyundai Motor Co. and appointed

came after a stockholders' meeting last week in which Chung Se Yung, called "the godfather" of the South Korean car industry by the local Chung Mong Gyu, once acting chairman of Ku chairs both companies.

Chung Mong Gyu, once acting chairman of Ku chairs both companies.

Chung Se Yung and his to Chung Mong Gyu, once acting chairman of Ku chairs both companies. media, reportedly challenged the authority of his well-known older brother, Chung Ju Yung, to dominate Hyundai Motor, the group's flagship company.

Chairman of the company, while Chung Ju producing its first car in 1966.
Yung, 84, insisted that his own son, Chung
Hyundai is to take over bankrupt Kia Motor SEOUL — In a new chapter of a corporate man, Hyundai officials said. Chung Mong Ku and a younger brother earlier succeeded Chung Ju Yung as co-chairmen of the entire Hyundai

group, South Korea's largest conglomerate. chairman of Hyundai Motor Co. and appointed his oldest son as the company chief, Hyundai officials confirmed Wednesday.

The change in control of Hyundai Motor came after a stockholders' meeting last week in chairman of the heard of directors and his

Hyundai Motor, remains vice chairman and chief executive officer, Mr. Jun said.

The shift comes as the company is preparing Chung Se Yung, 71, sought to advance the South Korean motor-vehicle industry after los- undai companies, which own a majority of to expand its already dominant position in the Chung Mong Ku exercise control of other Hypower of his son, Chung Mong Gyn, vice ing money last year for the first year since shares of Hyundai Motor.

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Co. at the end of the month by paying 1.7 trillion won (\$1.4 billion) under terms of its bid at last year's auction for Kia. The company also assumes debts from Kia of 6.3 trillion won, Mr. Jun said.

Hyundai Motor also is seeking to streamline and expand motor vehicle operations by absorbing the automotive division of Hyundai Precision & Industries Co. and merging with Hyundai Motor Service Co., which markets Hyundai vehicles in South Korea. Chung Mong

Chung Se Yung and his son remain Hyundai Motor's largest individual stockholders, with 8.2 percent of the stock, but Chung Ju Yung and

France and Italy Assailed for Y2K Laxity

4.9% Growth for '98

Australia Reports

SYDNEY — The Australian Telecommunications Union critieconomy grew at its fastest pace in cized France and Italy for failing to four years in 1998, the government submit compliance reports on the randounced Wednesday, powered by robust consumer spending and with recently, an ITU official said Wednesday, while 9 percent would be ready to deal with the Y2K bug by the recently, an ITU official said Wednesday. barely a trace of inflation.

Low interest rates, solid job growth, rising wages and a boom in personal wealth through thriving equity markets helped Australia avoid the deep recession seen in many Asian countries, although there are signs the economy may : slow because of weak export de-

mand and capital investment. Gross domestic product, the total output of goods and services, expanded 4.9 percent last year, the Australian Bureau of Statistics figures said GDP grew 1.1 percent in the fourth quarter from the previous three

months, exceeding expectations. "This is a marvelous performance for an economy whose major trading partners have been in recession the past year," said Rob Henderson, chief economist at Dresdner Kleinwort Benson. "We're in a very similar situation to the U.S., with strong

. .

Agence France-Presse MANILA - The International

nesday. Some areas of the world are not reporting their compliance with year 2000 measures, Ron Balls, head of

the ITU's millennium bug task force, said at a global conference.
France and Italy failed to update the ITU on their Y2K efforts until they were openly criticized by the ITU at two international telecom-

munications meetings, he said. Mr. Balls said a survey of 402 comes, they will be unable to distelecommunications companies

around the world late last year found end of 1998, while 9 percent would be ready by March 1999. A further 22 percent would be ready in the three months ending June, 17 percent in the three months to September and 3 percent by the end of December.

He also said he was "appalled" that many major cellular-telephone companies had not sent in reports.

tinguish between 2000 and 1900. The bug probably will cause a 'gradual degradation' of telephone

year. When the turn of the century

services unless it is addressed, Mr.

At the same conference, Chit Tharntong, the World Bank's principal information officer, said the millennium bug could spread like the currency crisis that battered Asia starting in mid-1997. He said the economic crisis in Asia exacerbated the problem as it "minimized re-sources" that could have been used Many older computer systems re-cord dates by the last two digits of the in correcting the glitch.

Japan Pushes Short-Term Rate to Near Zero

TOKYO — Japan's key shortterm interest rate hit another record low Wednesday, hovering barely above zero, as the central bank

wrestled to hold off deflation. The Bank of Japan poured money into the market for the second straight day, forcing the overnight call rate, the rate at which banks lend

zero percent, short-term loans yet of recovery. would be free, although most econ-

inflation." call rate, the rate at which banks lend largest. Even though the govern- last month that was threatening to (Bloomberg, AFP) to each other, down to just 0.02 ment spent more than 40 trillion yen strangle corporate borrowing.

percent. Some dealers said they ex- (\$330 billion) last year trying to pected the rate to fall yet further. At stimulate growth, there is little sign

With short-term rates at just 0.02 omists expect the market to simply percent, lenders have little incentive dry up at that point. to offer money, since most must pay
Behind the central bank's move brokerage commissions of about to offer money, since most must pay lies the worrying state of the Jap- that same rate. Meanwhile, longanese economy, the world's second term rates have fallen from a high

Hong Kong Says Disney **Plans Park**

By Mark Landler New York Times Service

A senior Hong Kong official said Wednesday that Walt Disney Co. was in early negotiations to build its second Asian theme park in the former British colony, confirming weeks of rumors.

Donald Tsang, the financial sec-retary, said while delivering the government's budget speech that Disney and the Hong Kong government had reached a "common understanding" about building a park in Hong Kong. He said the two sides would now begin "intensive negotiations" and hoped to make a

final decision by the end of June. Disney operates two theme parks outside the United States, one near Paris and one in Tokyo, in addition to parks in Florida and California.

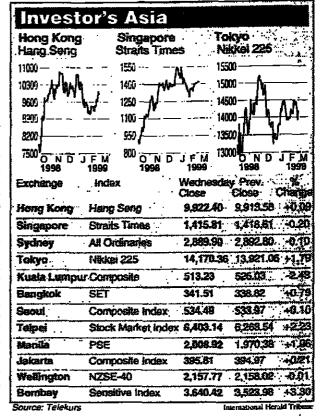
If Disney and Hong Kong sign a definitive agreement, Mr. Tsang said, the first phase of a Hong Kong Disneyland could be completed by

The mere whisper of Disney's interest in Hong Kong has generated giddy excitement in the recessionracked city. Some people have come to view it almost as a pot of gold at the end of the Asian crisis.

Even as he confirmed the negotiations, however, Mr. Tsang felt obliged to temper public expecta-

'I am fully aware of and indeed share the public's excitement at the prospect of seeing Mickey and his friends in Hong Kong," he said in the speech. "However, I must caution that while we have made the first important steps, there is still much ground to cover.

The chairman of Disney, Michael Eisner, said in the company's latest annual report that it probably would build a park in China in the coming years. But he did not specify Hong Kong as the location. Before Disney committed to Hong Kong, it would need to agree on details such as the price of the land.



Very briefly:

 Starwood Capital Group LP, a group of funds affiliated with Starwood Hotels & Resorts Worldwide Inc., is close to buying a stake in Sansiri PCL, an ailing Thai property

 Cathay Pacific Airways, Hong Kong's long-haul airline which in 1998 suffered its first loss in 35 years, said it may cut the salaries of about half of its 1.324 pilots and instead offer them options to buy shares in the company.

• Nippon Telegraph & Telephone Corp.'s pretax profit this year will probably be 293 billion yen (\$2.42 billion), "slightly" lower than its target, said Junichiro Miyazu, pres-

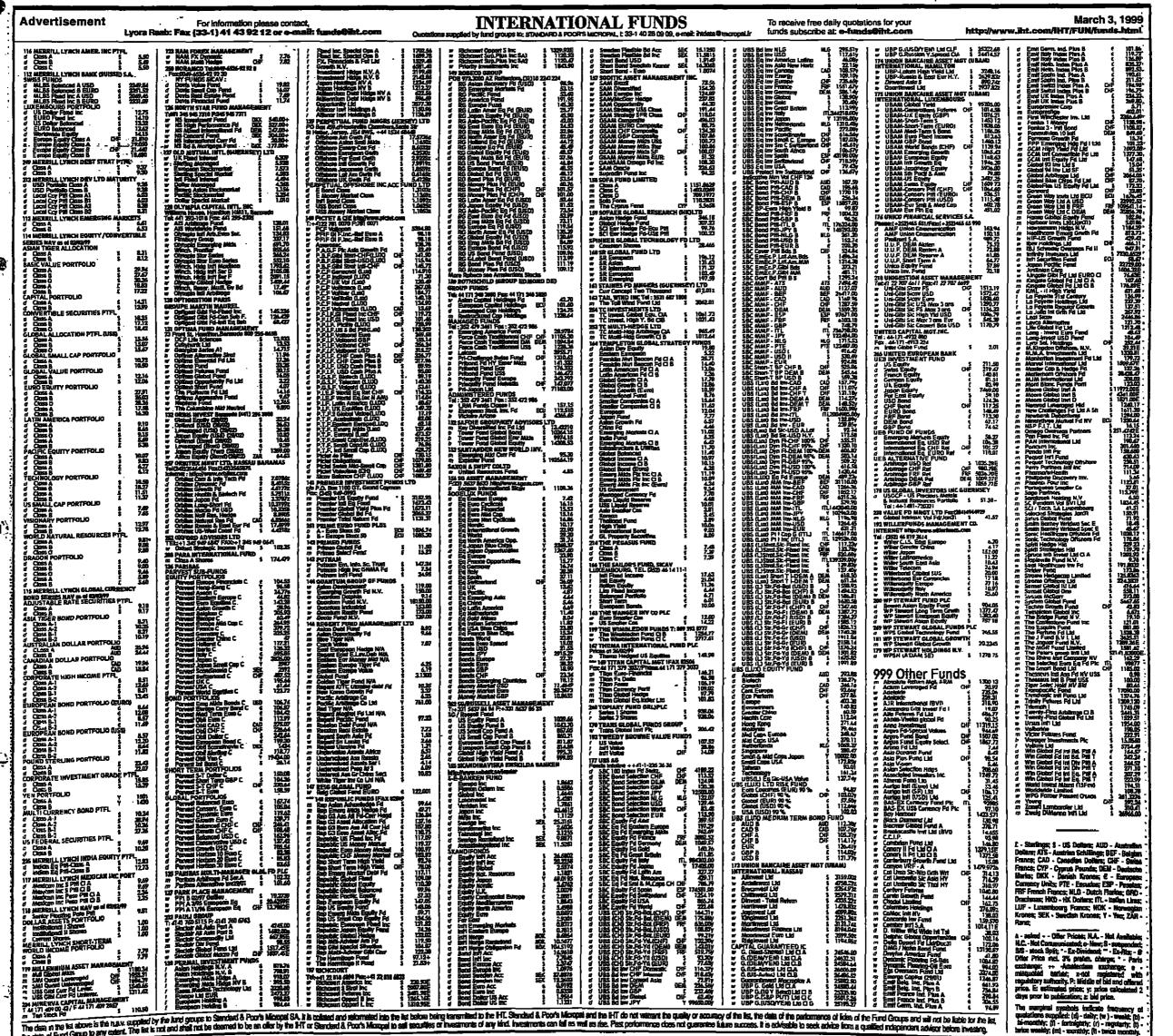
ident of the world's largest telephone company. · Hino Motors Ltd., Japan's largest maker of buses and trucks, will cut 10 percent of its administrative work force and

expects a parent-company net loss of 30 billion yen for the

year ending March 31, compared with its previous forecast of a 9.2 billion yen loss, as sales fell more than expected. • Australia's financial-services minister, Joe Hockey, announced plans to introduce uniform regulation for all fi-nancial-service products and rules for improved disclosure by

financial-service providers. • Pengurusan Danaharta Nasional Bhd., the body created by the Malaysian government to relieve the country's shattered banking industry, expects to complete this month its purchase of 7 billion ringgit (\$1.8 billion) in bad debts from Bumiputra Commerce Bank Bhd.

Bloomberg



Herald Eribune

WORLD ROUNDUP

An Appeal to Clinton

OLYMPICS President Bill Clinton was urged Wednesday to place the International Olympic Committee under the same federal law that deals with dishonest foreign gov-

ernments.

The U.S. Olympic Committee's president, Bill Hybl, sent the request to Clinton in a letter, and said such action would be an important step toward cleansing the Olympics of the "global crisis" of the Salt Lake City scandal, in which bidders paid more than \$1.2 million to try to buy the votes that helped win the 2002 Winter Games. "To do any less would mean

facing a future that might include the loss of the games and noble ideals they profess," Hybl said. He said USOC oversight of Salt Lake bidders had been "abysmal." The USOC's executive director, Dick Schultz, said the scandal was

"embarrassing." Both promised it

would not recur. "We are trying to put in place procedures, policies and individu-als who will not allow this to happen again," Hybl said at a news conference in Washington. (AP)

Rescuer Takes the Lead

SAILING Giovanni Soldini, with the French sailor Isabelle Autissier aboard, won the third leg of the Around Alone solo round-theworld yacht race Wednesday. The Italian rescued Autissier

when her yacht capsized in the Southern Ocean in February. Soldini had trailed Marc Thiercelin by 18 hours, but the French-

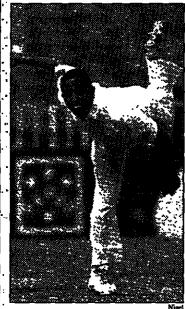
man was in the Falkland Islands for repairs after his boat lost a mast. Soldini sailed from Auckland to Punta del Este, Uruguay, in 25 days, 9 hours and 55 minutes(AFP)

Test Is Stuck in a Draw

CRICKET The first test between New Zealand and South Africa ended in a draw Wednesday in Auckland on a surface that gave new meaning to the cricket phrase "sticky wicket." Officials had sprayed wood glue on the wicket before the test to hold together turf weakened by fungus and rugby matches. Only 18 wickets fell over the five days.

At the end, the Kiwis were 244

for three in their second includes behind South Africa's first innings (AP)



Paul Adams, the South African spin bowler, following through on a delivery on Wednesday.

25 Turnovers By Jazz Lead **Trail Blazers To Victory**

PORTLAND, Oregon - When the horn sounded and the team with the best record in the league left the floor beaten, the Portland Trail Blazers huddled together like high school kids, ticker-tape and cheers floating around them. It was a joyous moment for the Trail Blazers, who made a statement against a

NBA ROUNDUP

team that had been to the last two NBA finals, but one that was dismissed by the

Utah Jazz. "They played well, and they're a very talented team — probably the most talented team in the league," said Jerry Sloan, Utah's coach, following his team's 102-100 double-overtime loss Tuesday night. "But we just gave this game to them."

Utah, which still has the NBA's best the Blazers, turning the ball over 25 times and making un-Jazzlike mistakes late in the game. But the Blazers, second-best in the league at 10-3, took the fight to the Jazz. And in the end they

wrested the game away.

Isaiah Rider hit two big shots in the second overtime and Rasheed Wallace made two free throws with 17 seconds left to give Portland the lead for good in the battle of the Western Conference's two division leaders.

"We're growing up," said Brian Grant, a Blazers forward who had 13 points and 12 rebounds. "We're getting a little bit of what Utah has had for the last five years: a little leadership, a little poise, veteran play down the stretch."

Heat 85, Knicks 84 in Miami, in a Heat. But Ewing missed a 14-footer (4meterer) as time ran out.

Ewing had 16 rebounds and 6 blocks. But he missed two shots and committed regulation, then missed the potential game-winning jumper over P. J. Brown in overtime. Pistons 108, Bulls 78 Detroit handed

Chicago its worst loss ever at the United Center, the previous worst was an 18point loss to Philadelphia last week.

It was Detroit's first victory in Chica-

NEW YORK - The first two times

Seton Hall played Notre Dame this sea-

son, the Pirates lost and Duane Jordan

In the game that meant the most,

however, each scored 18 points to lead

Seton Hall to a 79-69 victory Wed-

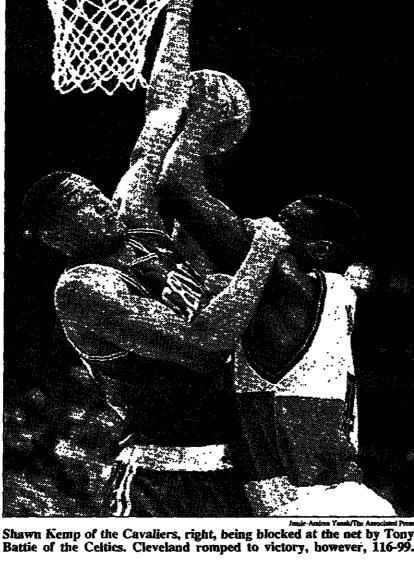
nesday in the opening round of the Big

offense," said Jordan, who also had 13

Seton Hall, whose opponent Thursday in the quarterfinals is the top-seeded and third-ranked Connecticut, had two decent outings against the Huskies this season, leading at halftime both times

"With our good defense came good

and Rimas Kaukenas were not factors.



Shawn Kemp of the Cavaliers, right, being blocked at the net by Tony

Sacramento won in Vancouver.

Spurs 99, Rockets 82 Tim Duncan had 23 points and 14 rebounds as San Antmatchup of former Georgetown University centers, New York's Patrick Ewing scored a season-high 31 points Ewing scored a season-high 31 points as Ewing scored a season-high 31 points Houston guard, Mario Elie, had 15 first-the Cavs broke the 100-point mark for Ewing scored a season-high 31 points and Alonzo Mourning had 28 points, 11 half points. He sat out the second half rebounds and 7 blocked shots for the with a strained left harnstring.

Mavericks 112, Clippers 99 In Dallas, Michael Finley scored 20 points and A. C. Green had 19 points and 12 rebounds, both season highs, as the Mava turnover in the final two minutes of ericks kept the Los Angeles Clippers winless.

Pacers 88, Nuggets 81 Denver went without a field goal for more than seven minutes in the final period as Indiana went on a 16-1 run to clinch the game. road loss.

go since March 1990.

Kings 111, Grizzlies 101 Chris Webber scored 36 points and had 17 rebounds as Bernie Bickerstaff, the Wizards' coach, State.

Seton Hall Downs Notre Dame, 79-69

Virginia Tech 74. Fordham 63 In Phil-

COLLEGE BASKETBALL

lantic-10 Conference tournament

Temple, on Thursday.

missed his second consecutive game with the flu. He did not make the trip to Atlanta with the team.

the first time this season. Cleveland shot 58.1 percent from the

field just one night after making a franchise-low 21 field goals on 29.6 percent shooting in a loss at New Bucks 94, Note 86 Glenn Robinson

scored eight of his 18 points in the final 2:49 as Milwaukee scored 11 of the last 13 points to win in New Jersey. The Nets lost for the seventh time in

eight games and fell to 3-11.

It was Denver's seventh consecutive

Timberwolves 89, Warriors 78 Kevin
ad loss.

Garnett scored 27 points and Stephon
Wizards 97, Hawks 77 Washington

Garnett scored 27 points and Stephon
Wizards 97, Hawks 77 Washington

Keny Chase put additional number on the Nashville Predators this time.

Chase has a reputation as an enforcer, not a scorer. On Tuesday night, he quarter as Minnesota, which had lost three in a row, beat visiting Golden

For Cepeda, a Prize **Worth Waiting For**

Infielder 'Ready' to Join Friends in Hall

The Associated Press TAMPA, Florida — It was the spring of 1953, and a young teenager named Orlando Cepeda made quite an impres-

oriendo Cepeda made quite an impression among elite company.

Bill White and Willie McCovey, future Hall of Famers, took note. So did Leon Wagner and Willie Kirkland, two more prospects who would go on to have productive major-league careers.

"We were all with the Giants," resulted White the Stemes National

called White, the former National League president and a member of the Veterans Committee that elected Ce-peda to the Baseball Hall of Fame on Tuesday. "We knew then that Orlando

was something special."

Eventually, Cepeda would take over as the Giants' first baseman — in a lineup with Willie Mays, Juan Marichal and McCovey — after White was traded to St. Louis. Later, he would wind up with the Cardinals, replacing White in

the lineup again.
Cepeda, who hit 379 home runs in a 17-year career, joined the Negro Leagues pitcher Smokey Joe Williams, the turnof-the-century manager Frank Selee and the former umpire Nestor Chylak as se-lections by the 12-man committee.

Among the former players, managers and executives receiving support, but not the necessary nine votes for election, were Bill Mazeroski, Dom DiMaggio, Joe Gordon, Bowie Kuhn, Dick Williams and Whitey Herzog.

Marichal, a member of the committee,

called Cepeda with the good news that they would be teammates in the Hall of Fame. Cepeda missed by just seven votes in his final year on the ballot of the Baseball Writers Association in 1994. He came close last year in voting by the

"He was the type of player who had no fear, the type of player you wanted play-ing behind you," Marichal said. Cepeda hit .297 with 1,365 runs batted in and played in nine All-Star games.

"It's hard to explain the feeling," Cepeda said Tuesday at 3Com Park in San Francisco, which was called Candlestick Park when he played there. "I've been ready for this for 17 years. When they told me I was selected, I lost my mind."

Murray Chass of The New York Times reported earlier:

Cepeda, hampered by bad knees throughout his career, said he believed his arrest in Puerto Rico in 1975 for smuggling marijuana had worked against his earlier election.

"They didn't know me," he said of the writers who voted. "Maybe they heard some things about me that weren't too cool. Later on, I don't think they felt that way. When they got to know me, they knew I was a human being who made mistakes."

Cepeda, who works for the Giants in § community affairs, said he closely fol-lowed the recent debate involving Lawrence Taylor's election to the Pro Football Hall of Fame. "I'm glad they voted for him," Cepeda, who served a 10-month prison sentence, said. "When you are human beings, you can make mistakes. I learned from my mistakes."

Subsequent to his arrest, Cepeda became a Buddhist. He said he believes he will be the only Buddhist in the Hall of Fame when he is inducted July 25 with Nolan Ryan, George Brett and Robin Yount, whom the writers elected last-

Cepeda was a unanimous winner of the National League Rookie of the Year award with the Giants in 1958 and of the National League's Most Valuable Play-er award with the St. Louis Cardinals in 1967. He also played for Atlanta, Oak-land, Boston and Kansas City. Chylak was elected 17 years after he

died at the age of 59. He served as an American League umpire for 25 years, { from 1954 through 1978, and is the eighth umpire elected to the Hall.

Blues Stun Predators, 5-1

Chase Blossoms With Two Goals and an Assist

NHL ROSNBUP assist. It was all St. Louis needed as it

beat Nashville, 5-1.

It was the Blues' sixth consecutive road victory, a team record. And it was

the first two-goal game for Chase in 426 National Hockey League games. Even after the offensive show against

the Predators, Chase has a total of 1,871 penalty minutes and just 17 goals in his

Chase opened the scoring at 18:26
with a wrist shot over Mike Dunham's slap shot for Ottawa's sixth victory in its glove. At 18:59, he made it 2-0 on the rebound of Scott Young's shot. Mike

Alfredsson redirected Lance Pitlick's slap shot for Ottawa's sixth victory in its last eight games. The victory put the rebound of Scott Young's shot. Mike

period outburst for Washington in Tampa. Bondra, who also had an assist, has 29 goals in 29 games against Tampa Bay, including six goals and two assists in his last two games against the Lightning.

Kelly Chase put a different kind of hurt the Nashville Predators this time.

Chase has a reputation as an enforcer, by a scorer. On Tuesday night, he suffered a season-high fourth straight loss. It was the fifth consecutive road defeat for the Flyers, who led the Eastern Conference a week ago, but have since dropped to fourth place.

The victory was Montreal's fifth in a row at home.

"Even a blind dog finds a bone once in a while," said Chase, a veteran right a goal and an assist and Byron Dafoe made 28 saves as Boston extended its unbeaten streak to five games.

Phoenix lost its third straight and eighth of its last nine. The Coyotes head home with a 1-6-0 record for their two-

week road trip. Senators 4, Islanders 2 Daniel Alfredsson's tip-in goal with nine minutes left capped a three-goal rally for Ottawa. .

which the Quakers blew a 27-point lead.

The loss by Princeton (20-7, 11-3) ended its streaks of seven straight victories first of two goals sparked a five-goal first
Eastwood assisted on both.

Capitals 8, Lightning 2 Peter Bondra's

Eastwood assisted on both.

Capitals 8, Lightning 2 Peter Bondra's

Essues as New York tied Dallas to be unbeaten in three games since losing Wayne Gretzky, who has a neck injury. The Stars had their seven-game road

winning streak stopped but grew their

unbeaten road streak to nine.

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has never won a Big East tournament game, dropping to 0-4 since joining the Geoff Owens scored 14 points and sparked a decisive run to start the second half as Penn won the Ivy League cham-pionship, and with it an NCAA berth, for adelphia, Rolan Roberts scored 19 the first time in four years. The As- career. sociated Press reported from Princeton,

New Jersey. Penn (21-5 overall, 13-1 Ivy League) points and Virginia Tech held Fordham to 34 percent shooting as the Hokies avenged an earlier loss to Princeton in advanced to the quarterfinals of the At-Brendan Dunlop added 15 points, including two key baskets in the second over Penn, three Ivy titles and 26 Ivy half that helped turn away Fordham ral-lies. The Hokies (13-14) advanced to victories at home. Penn's starters combined for 68 points, as Jed Ryan scored 15 and Paul Romanczuk, Matt Langel play the East division's top seed, and Mike Jordan each had 13.

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Penn Takes Ivy League Title

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SPORTS

Warns Holds Off Parma, 2-1

A STATE OF THE PARTY OF THE PAR Hernan Crespo used his favorite trick to give Parma a And the second second by the second s late goel, but Bordeaux prevailed, 2-1, in their UEFA Cup equarterfinal first-leg match. With host Bordeaux leading by two goals Tuesday and Parma reduced to 10 men by the expulsion of its captain,

UEFA CUP

Antonio Benarrivo, Parma's Enrico Chiesa counterattacked down the right flank. Crespo met Chiesa's low drive into the penalty area with his right heel, flicking the ball behind his left leg and into the far corner of the net. It

just a goal after a fine game by stole the ball from the de-Bordeaux. Johan Micoud and fender Goran Digrovic on the Bordeaux. Johan Micoud and Sylvain Wiltord had put the Girondins in control in the first half with two well-crafmove that led to Maurice's winner in the 68th minute. He sent Robert Pires away on the Stereng cross in the ated goals. But they were then thwarted by Gianluigi winner in the 68th minute. He sent Robert Pires away on the Buffon, the Parma goalie.

Marseille 2, Celta Vige 1 Florian Maurice scored both Marseille goals. But in be- home inside the near post. tween. Marseille gave the visitors a goal when a series of errors allowed Alexander seille goalie, Stephane Porato, Mostovoi, Ceita's Russian midfielder, to score. Richard Dutruel, Celta's French goal- his hands. keeper, made a string of saves to keep Marseille out early

Maurice opened the scoring just after the half hour top corner of the Atletico goal with a shot inside the far post from 30 meters (100 feet).



was the third time this season Atletico's Vladimir Jugovic, left, vying for the ball with he has scored with the same Marco Delvecchio of Roma in their UEFA Cup match.

Parma was lucky to lose by after Christophe Dugarry

right, and the playmaker beat a defender before crossing for Maurice, who blasted the ball

Mostovoi had leveled four minutes earlier when the Marlet a tame, low cross from the left by Haim Revivo slip from

smashed a free kick into the

Atletico had taken a twogoal lead on tallies by Jose

with a curling right footer.

All three channels:
Atletico doubled the lead a on satellite or cable. minute after the break when Fresnedoso dribbled his way through the Roma defense and blasted a shot into the net. In a game reported in late

editions Wednesday: goal in Madrid when he logna put itself in a strong said. position to advance to the

Manchester United, Olympique Marseille and Real Madrid Are First to the Air now take note (and take notes). No buy Manchester United, which would is free until June to early subscribers; By Christopher Clarey American team in any sport has its ensure that even if the government International Herald Tribune

EVILLE, Spain — For the leading soccer powers, it is no longer enough to have an expensive striker from Brazil, or an exlonger enough to have a modern stadium and a stable full of sponsors.

it needs its own television station. Manchester United, the popular English club, was the first to offer itself the sporting equivalent of a vanity license plate last September. Olympique Marseille, which has the largest following in France, did the

If a club wants to impress its rivals.

same in January. The channel devoted to Real Madrid, the reigning European champion, began broadcasting Feb. 15, beating the club's arch-rival, Barcelona, to the digital airwaves.

Clubs that were once content to publish a newsletter for their fans are now producing or authorizing daily mming. Marseille's channel. OMTV, is on the air four hours a day. Manchester's, called MUTV, is on for six. Real Madrid TV is as ambitious as the club's hiring-and-firing president, Lorenzo Sanz: It broadcasts 12 hours Michele Serena cross in the every weekday with extra time allotted 13th minute and also hit a post on the weekends.

All three channels are pay channels

The goal, according to Neil Davis, MUTV's finance director, is to connect to those without a ticket. "Manchester United has a capacity of 55,000 at Old Trafford, and there are 4 million more Manchester United fans Atletico Madrid 2, Roma 1 Bologna 3, Lyon 0 Guiseppe in the country and a further 8 million Luigi Di Biagio scored a late Signori scored twice as Booutside the United Kingdom," he

American sports franchises, quite

pacity to carry thousands of digital Europe than in the United States. It is

less exclusive versions of it. When league games."
Ted Turner launched Superstation, his Until then, the club networks will Hawks, were core programming. Sevrox Sports West and the Madison Square Garden network in New York, run programming that relies heavily on local teams.

(about 20 employees, compared with 50 at Real Madrid's channel and the 60 or more at MUTV).

The soccer season in Europe is longer than either the NBA or Major League Baseball season, but what is remarkable about the three club channels is that they do not yet broadcast The rights to those matches are part of Real Madrid TV settle for showing replays of big games from previous seasons. MUTV and Real Madrid TV also broadcast reserve-team and

youth-team matches. This may be no way to attract large andiences, but club network officials hope they will soon be able to broadcast first-team encounters, at least on

a delayed basis. In Britain, the government is de-

own network. That is partly because invalidates its contract, Sky would satellite television, which has the ca-keep the most popular club.

Isabelle Rey-Correard, a spokeschannels, has more momentum in person for Olympique Marseille, said, Europe than in the United States. It is "When the rights are renegotiated in pensive defender from France. It is no also because American impresarios France there could be some changes, and media companies don't yet view and perhaps our president, Robert the concept as potentially profitable. Louis-Dreyfus, will decide he wants But they have, in any case, created to get back the rights to our team's

Atlanta-based cable channel in the attempt to provide hors d'oeuvres for 1970s, the professional teams that viewers who will take their main soc-Turner owned, the baseball Atlanta cer meals elsewhere. OMTV cur-Braves and the basketball Atlanta rently has the most meager fare, which is not surprising considering eral regional cable networks, such as that it has by far the smallest staff

ARSEILLE'S channel has only an hour of original programming daily, oriented toward the club's upcoming matches, and an inordinate number of repeats for any of their premier teams' games. a network that is only six weeks old. MUTV does four nightly news upthe television packages sold by their dates, including reports from practice, leagues. Instead, MUTV, OMTV and which are a staple of all the club channels.

For now, MUTV's reach is limited to British satellite and cable viewers willing to pay £5 (\$8) a month. OMTV is on the Canal Satellite Digital service in France for 35 francs (\$5.85) a month; Real Madrid TV is on the same service in Spain and will it is hardly a leap to imagine players cost 750 pesetas (\$5) monthly when its promotional offers expire.

MUTV does not release subscriber ciding whether the Premier League figures. OMTV has 19,000 subconstitutes an unfair monopoly when scribers, and Real Madrid TV, which principal means of communication. it sells TV rights as a package. Rupert also covers the club's basketball team, Murdoch's satellite arm, Sky Tele-has 35,000 after less than two weeks of vision, which owns those rights, is a operation—a tribute to Real Madrid's forums by which their local heroes

Of the three new channels, only OMTV is owned exclusively by its club. While OM's production staff is in-house and two of its presenters -Eva Bravo and Lactitia Roy - are the wives of current OM players, Real Madrid TV is produced by an in-

dependent production company. In theory, that means Sanz and other club officials do not have editorial control. "This is a Real Madrid channel, independent of those who run the club," said Javier Ares, the channel's director. In practice, independence

will prove difficult to maintain. In only its second week, the channel carried all the commotion sur rounding the firing of Guus Hiddink as coach and the hiring of John Toshack. It made for a welcome break from junior games covered inexpertly with 100 few cameras and nervous interviewers glancing too often at their notes.

But at least Real Madrid TV's interviewers have subjects. The socces team's players have been boycotting the media for weeks, but they have made an exception for their own television channel. Fernando Hierro, a defender, who had not spoken publicly since Sept. 1, was among those to

break his silence. Although personnel at Real Madrid TV have been quick to celebrate these coups, there is no reason for the general public to celebrate. If enough elite teams launch their own channels regularly bypassing the independent media and using the club channel, with its symbiotic imperative and accommodating interviewers, as their

It remains to be seen whether fans will prove discriminating about the semifinals, brushing aside accustomed to lighting the way in vision, which owns those rights, is a operation—a tribute to Real Madrid's forums by which their local visiting Lyon. (AP, Reuters) marketing and self-promotion, can partner in MUTV and is bidding to appeal and to the fact that the channel choose to express themselves.

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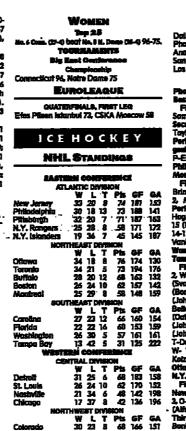
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U.S. COLLEGE SCORES TUEBOAY RESULTS MEN Kent 68, Ohio U. 57 Miami, Ohio 60, Bawling Green 54, OT Mid-Continent Gentlers.com Championship paraiso 73, Oral Roberts 69 ses St. 65, W. Kentucky 48



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Bestive 1 2 9—2
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Philipsichina P-Enche, B-Darloe.
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Meedreal 9 1 3—4
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2 M-Oslintal 7 (Kohru, Melochhor) Third
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15 (Damphousse, Brunet) Shots on godt: P14-17--38. M 6-5-6-17. Godfles: PVanblestrauck, M-Hockett. Washington 5 3 8—8
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N.Y. Rongers
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First Period: S.L.-Chaze 2 (Lassemon) & St. Leels, Chazes 3 (Young, Eastwood) Secured Periods S.L.-Compled 4 (Concy), Rheaume) 4, S.L.-Compled 4 (Concy), Rheaume) Third Period: S.L.-Young 14 (Chaze) & Nostwille, Yockmener 6 (Heward) Shots on good: S.L.-11-10-14—35, Nostwille 7-9-15—31, Goolins: S.L.-Johnson, Nostwille, Dunham.

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STANDARGE: Estudiantes (VEN) 3. Nocional (URU) 3. Monterrey (MEX) 1, Bella Visito (URU) 1.

STANDENGS Liga de Quito (ECU) 3. Emelec (ECU) 3. Wisterman (BOL) 1. **UEFA CUP**

gna 3, Lyon 2 44, West Harn 40, Liverpool 39, Derby 32, Wimbledon 37, Tottenham 36, Sheffield Wed-

THAT WOULD BE GREAT. I'VE GOT TO STUDY PONIGHT FOR

CALVIN AND HOBBES

HI, ROSALYN. COME ON IN. CALVIN'S UPSTAIRS HIDING

FROM YOU, SO YOU MAY HAVE

CRICKET new Zialand vs. South Africa

WEDNESDAY NAUCLARD, N.Z. South Africa: 621 for five declared, New Zeolond: 352 and 244 for three. Match drawn. TRANSITIONS

RASEBALL ATIONAL LEAGUE

C Brook Fordyce.

year contract.

FLORIDAS—Agreed to terms with RHP Balan Meadows, LHP Michael Telens, INF Dave
Berg and OF Pat Waltins on 1-year confracts.

MILIMAUKES — Agreed to terms with RHP
Chad Fox. RHP Steve Woodard and LHP
Valento De Lot Santos, INF Lou Collier, OF
Geoff Jentins, C Bobby Hughes, INF Ron
Beilliard and INF-OF Brian Banks on 1-year
contracts.

MONTREAL — Renewed contracts RHP

Mike Johnson, RHP Carl Powane, RHP Anthony Tellard and 18 Bred Felliner.

LY. METS-Agreed to terms with INF Matterance.

LY. Mets-Agreed to terms with INF Matterance.

LY. Mets-Agreed to terms with INF Matterance.

LY. Mets-Agreed to terms with INF Matterance. PHILADELPHIA — Agreed to terms with RHP Wayne Genes on 1-year contract.

NATIONAL BASKETBALL ASSOCIATION

DID YOU HEAR THAT? DID YOU HEAR THAT?

ATLANTA— Signed S Gerald McBurrows.

DERVER— Signed DE Ben Crostond and

LB Ronnie Ward. MILMI- Regioned Eddle Jones, preside

KLY_JETS-Signed S Steve Atwater. PHILADELPHIA — Agreed to terms with P con Landeta on 3-year contract. Signed RB, Seen Longers on 3-year correct. Signed rec-rens Smith.
TERMESSEE — Nomed Alim Lowry special teoms cooch, Steve Welters wide receivers cooch, and Jim Washburn defensive line cooch, Agned to terms with LB Eddle Robin-ters.

MATIONAL HOCKEY LEADUE

— Suspended Toronto D Chr

MAL.—Suspended Teneric D Chris Mc-Allister for two games, without pay, for low-ing bench on legal films change and becoming involved in an offercation with M.Y. Istanders D Rich Plan on Feb. 25. BUFFALD on Feb. 25. BUFFALD STANDED FOR THE RESIDUATION OF THE and D Jean-Luc Grand-Pierre to Rochester, AMI

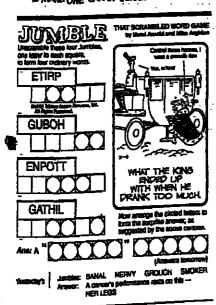
DALLAS - Signed D Doug Lidster to 1-year.

FLORIDA— Recissigned D John Jokopin to New Haven, AHL Recolled F Viacestov Butsoyev from Fort Wayne, IHL Recolled LW Dove Duerden from Kentucky, AHL LA KNOS—Recolled C Nathan LaFayette from Lang Beach, IHL
PROGENT — Reco PHOENIX — Recaded D Soan Go ipringfield. AHL. 5T. LOUIS— Signed G Jim Corey. TAMPA BAY — Assigned G Marti

TONIGHT: THE REVENCE OF THE BARY SAT!



GUESS HOW MANY TOMATOES IT TAKES TO MAKE ONE CAN OF JUICE!









GARFIELD



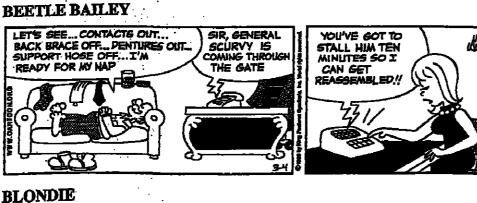
OH, RED, BLUE, YELLOW ...









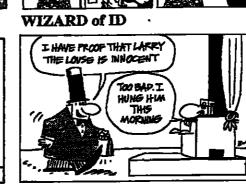


















DOONESBURY







2

ART BUCHWALD

If I Had a Trillion

you have to take my word that with a lot more respect than kids do today. For example, no child was permitted to say "a billion dollars" in front of adults. It was unthinkable, and your parents would threaten to wash out your

mouth with soap. The only accepted sum of money you could discuss was million." We used to say to each other. "I'll bet you a million dollars

you can't crawl through that sewer pipe."
or "I'll bet you
a million dollars your folks won't let you stay out until 10

o clock at night. While no one paid off, it school yard and I heard one was a scrious number and one that showed you were willing to put your money where your hit the ball over the fence." to put your money where your mouth was.

Songsmiths used to write lyrics about a million dollars: 'I found a million-dollar baby in a five- and ten-cent store. Everyone in the country knew that Rockefeller was a mil- time. lionaire, as were Henry Ford and Doris Duke, the tobacco country. heiress. What made John D. Rockefeller our role model thing to yell 'fire' in a was that, as a millionaire, he crowded theater. It's another gave away dimes when he ap- to bet a trillion dollars on a peared in public. But at least home run."

NEW YORK — When I everyone in the country was a young man, and playing in the same ballpark - during the Depression the I was, we talked about money haves and have nots all discussed the value of their lives in terms of millions.

This all came to mind when I read in the newspaper that Citibank and Travelers Group insurance were going to merge for \$82 BILLION — a very high price for two companies to sleep together. It was a number that no one

of our generation ever thought we would read in a family newspaper.
I was certain that there wasn't a person in Citibank who had ever seen a billion dollars - much less 82 big ones. And yet that was what they were willing to pay to be

joined at the hip. I knew the sound barrier on money had been broken forever when I walked by a

The other boy shouted, "I'll bet two trillion I can." I yelled, "How dare you use that language in public!' One youngster retorted, 'My dad uses it all the

The other said, "It's a free

"Up to a point. It's one

A Sundance Center in Boston

BOSTON — Robert Redford, director of the Sundance Film Festival in Utah, has announced the formation of a

new Sundance Cinema Center that will showcase independent

The complex - which would have 1,800 theater seats

also would contain a film library, two screening rooms, an

auditorium, a restaurant and two bars. Pending approval,

films in a \$40 million building to be built in Boston.

construction will start in one year.

Provocative Literary Star Takes France by Storm

By Alan Riding New York Times Service

DARIS - Michel Houellebecq is I an unlikely new star of French letters. Slightly built, with thinning hair and a melancholic mien, he chews nervously on a succession of cigarettes, mumbling when he is not sighing or silent. He describes himself as a manic-depressive who becomes excited only when he is writing. His fiction, which he concedes is fairly autobiographical, reflects a bleak and loveless world. Yet last fall, with the publication

by Editions Flammarion of his second novel, "Les Particules Elementaires" ("Elementary Particles"), the 40-year-old Parisian suddenly found himself at the center of "l'affaire Houellebecq."
The book was an instant best-seller, with sales exceeding 260,000 to date. But what turned this success into an "affaire," or scandal, was the passion and venom with which the book's admirers and critics argued its merits.

Both sides at least agreed on one

thing: The book is a frontal attack on the generation of '68, the French equivalent of the baby boomers, the middle-aged politicians, business-men, intellectuals and the like who are now in power in France. For its fans the book exposes the empty, confused and frustrated France spawned by the failed dreams of the 1968 student-protest movement. Its assaults on so-called "political correctness" apparently added to its appeal. Houellebecq's targets, on the other hand, became his instant detractors, variously denouncing

the book as reactionary, misogynist, nihilistic and pornographic.
Houellebecq helped things along by giving countless, often provocative, interviews to newspapers, magazines, radio and television. When his novel was not short-listed for the Prix Goncourt last November, he reiterated the familiar charge that payoffs explain why Goncourt juries invariably reward books published by three highbrow houses:

Editions Gallimard, Grasset and Press, a British company. This 155-

Senil He later dismissed the win-ner, Panle Constant's "Confidence pour Confidence" ("Secret for Secret"), published by Gallimard,

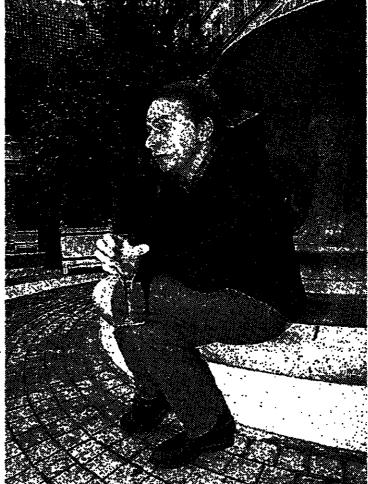
as mediocre and boring.

Other incidents kept tongues wagging. After a bizarre interviewtrial conducted by fellow editors of the literary review Perpendiculaire, Houellebecq was formally expelled as a founding member, prompting cries of McCarthyism. The owners of a New Age campsite called L'Es-pace du Possible then sought to have "Les Particules Ele-mentaires" seized as libelous for describing the camp as a kind of free love commune. The author agreed to rename the campsite Le Lieu de Changement in future editions.

The plot of the 394-page novel revolves around two half brothers whose bohemian mother leaves them to be raised by separate grandparents as she goes looking for the meaning of life through sex and meditation. One brother, Bruno Clement, who spends his life trying to satisfy his sexual obsession through masturbation and prostitutes, ends up in a psychiatric hospital. The other, Michel Djerzinski, who feels no sexual desire, culminates his career as a molecular biologist by eliminating the need for sex and procreation through human cloning.

The book's generational element is that Bruno was born in 1956 and Michel, like Houellebecq, in 1958. Like the author, they were children in 1968 and reached adulthood in the early 1980s when the gener-ation of '68 came to power with the election of France's first socialist president, Francois Mitterrand. The generation's legacy, the book Michel Houellebecq's new novel attacks the generation of '68. maintains, is a France without vision, values or hope.

sketched this disaffected view of French society in 1994 in his first novel, "Extension du Domaine de la Lutte" (literally "Expansion of the Arena of the Struggle") published in English this mouth under the title



page book follows the narrator and a France, selling a respectable already colleague as they travel the French 15,000 copies there and being distaste, a posture that a doctor fi-nally identifies as depression.

Lettres in 1997. Only with "Les-This book was well received in Particules Elementaires," though, alienation and solitude.

did he become a household name. Houellebecq attributes attacks on his new novel to the "pure and simple jealousy" of writers not mentioned in an article in Le Monde listing members of a new generation of literature. In Le Figaro, this new generation was said to comprise a literary movement it called "deprimisme" ("depressionism"), although Houellebecq prefers to describe it as new realism.

But some older writers of the '68 reneration and intellectuals who still see the world through the left-right prism also criticized the book. For them, anyone opposed to abortion, sexual freedom, environmentalism and European integration has to be reactionary. In their case against Houellebecq. Perpendiculaire's prosecuting editors even cited the fact that his expose of the spiritual desolation of modern life won plaudits from a conservative Roman Catholic publication.

More intriguing, however, is why "Les Particules Elementaires" has proved so popular. The most obvious answer is that many French share Houellebecq's dark vision of a post-idealistic, post-ideological france gripped by malaise, tmemployment and growing insecurity, where materialism, hypocrisy and corruption have long since replaced dreams of a better life. And if people are looking for someone to blame, why not the generation of '68?

Certainly in his fiction and in interviews, Houellebecq pours scorn indiscriminately on leftists. rightists, feminists, environmental ists and anyone who pretends to offer solutions. "Killing off illusions makes us happier, to know that the past is dead." he said in a recent interview. "People with illusions are stupid. Those with political illusions are not only stnpid but dangerous."

His obsession with sex as pornegraphy, prostitution or at best loveless coupling is in turn seen as a denunciation of what has happened ning the Grand Prix National des to human feelings. For him that is what sexual liberation has come to:



PREMIERE - The actors Billy Crystal, left, Lisa Kudrow and Robert shows - and guests. "I believe there is a De Niro at the opening of their film, "Analyze This," in Los Angeles. lot of elitism in terms of the criticism of

THE Steven Spielberg film "Saving Private Ryan" won best picture and Terrence Malick ("The Thin Red Line") won best director honors at the Chicago Film Critics Awards. Spielberg paid homage to the movie critic Gene Siskel, who died last month. Siskel and his TV partner, Roger Ebert, used the power of television for the better "and have done a remarkable thing for the motion pictures," Spielberg said in ac-cepting his award Monday. The British stage veteran Ian McKellen won the award for best actor for his role in 'Gods and Monsters," an account of the final days of the film director James Whale. Cate Bianchett was honored as best actress for her portrayal of Queen

In a very different debate from the kind in which Jerry Springer normally gets involved, the TV talk-show host has evoked the memory of Diana, Princess of Wales, to defend his controversial

Elizabeth in the film "Elizabeth."

the show," Springer said Tuesday at the Oxford Union, Oxford University's debating society. Springer said that Diana talked publicly about the same subjects that were aired in his shows, which sometimes feature brawls between guests.
"She talked about not being faithful in

her marriage, she talked about bulimia and she talked about even contemplating suicide," Springer said in an apparent reference to Diana's BBC interview in 1995. "On our crazy, silly show our

guests frankly, in their way, talk about the exact same issues." He added, "Be-

On the Tarmac With the Press Corps

Washington Post Service

PEOPLE

WASHINGTON — Here's certain grist for the conspiracy-tale mill: Consider the poor luck the Clinton administration has had with press buses. The first small mishap occurred during Hillary Rodham Clinton's trip to Africa two years ago, when a helicopter airlifting the press bus dropped it into

the sea. The bus was empty at the time.

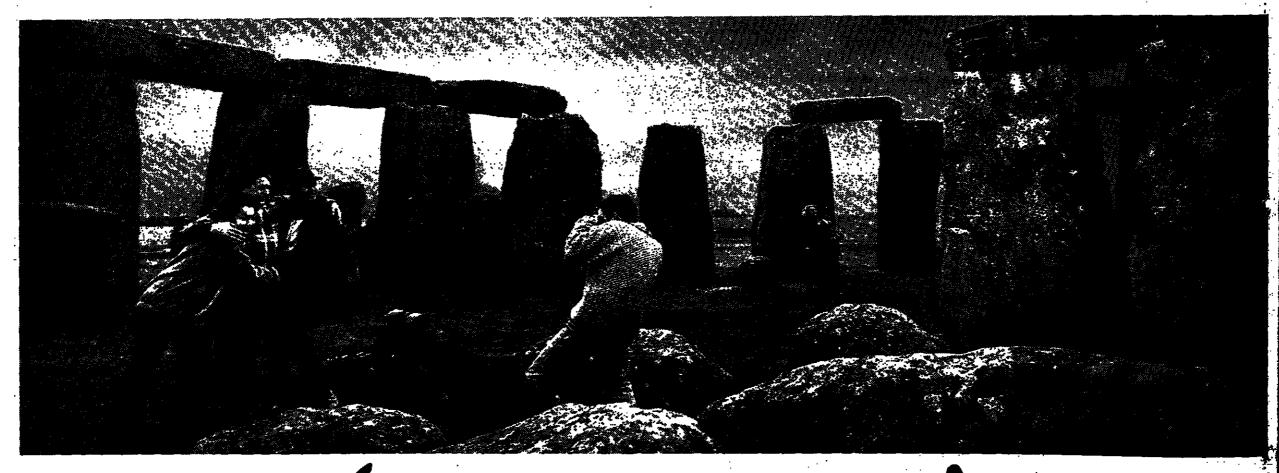
Tuesday at about 9 A.M., a few dozen reporters, photographers and White House aides were on a bus that ran right into a charter plane that was waiting on he Salt Lake City, Utah, airport tarmac to carry the media horde back to

The driver, from the Le Bus company, didn't see the wing of the plane, but the reporters did. "We just couldn't believe it. At the last minute, we were all yelling, 'Stop! Stop!' but it was too late," said Chack Babington of The Washington Post. The crash "shattered the top part of the bus windshield and put about a foot-long gash into the end of the wing, where the bus just kind of burrowed into it."

cause they're not rich or powerful or famous and they didn't go to Oxford or our Harvard, we seem to call them trash." The Chicago-based TV host was in Britain as part of a promotional tour for "The Jerry Springer Show."

The conductor and composer Michael Gielen, 71, was awarded the Frankfurt music prize at a concert to mark the opening Wednesday of this year's international music trade fair. The 25,000 Deutsche mark (\$14,000) prize is given every year to outstanding figures in German cultural life, traditionally on the evening before the world's largest music fair begins.

Phyllis Diller has been fitted with a acemaker after a heart attack last month "She's doing well," said Milt Suchins, her manager. "We expect her back and working soon. I'm still booking engagements." The 81-year-old comedian's next performance is March 27 at Ohio Northern University in Ada, Ohio.



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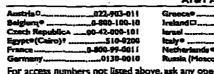
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